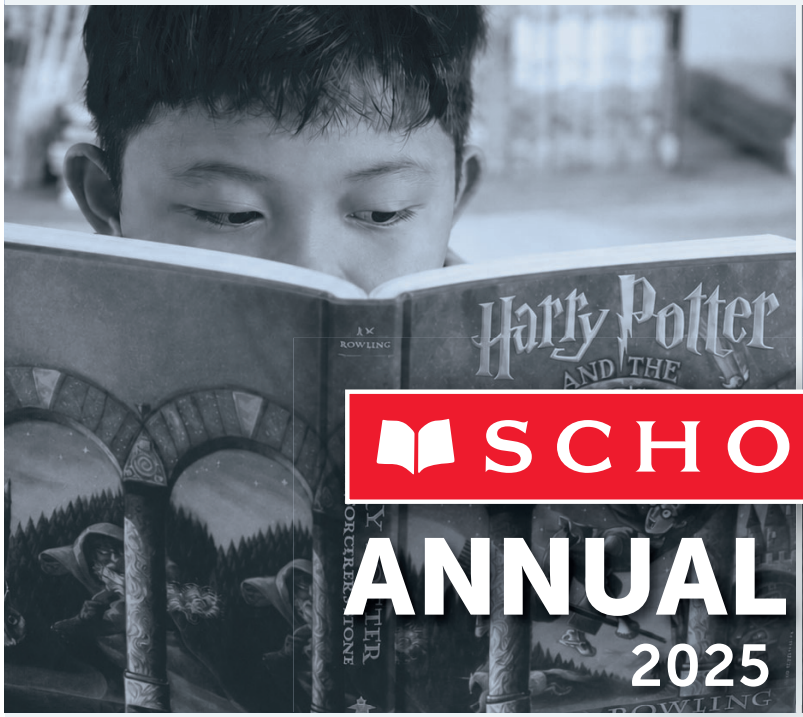
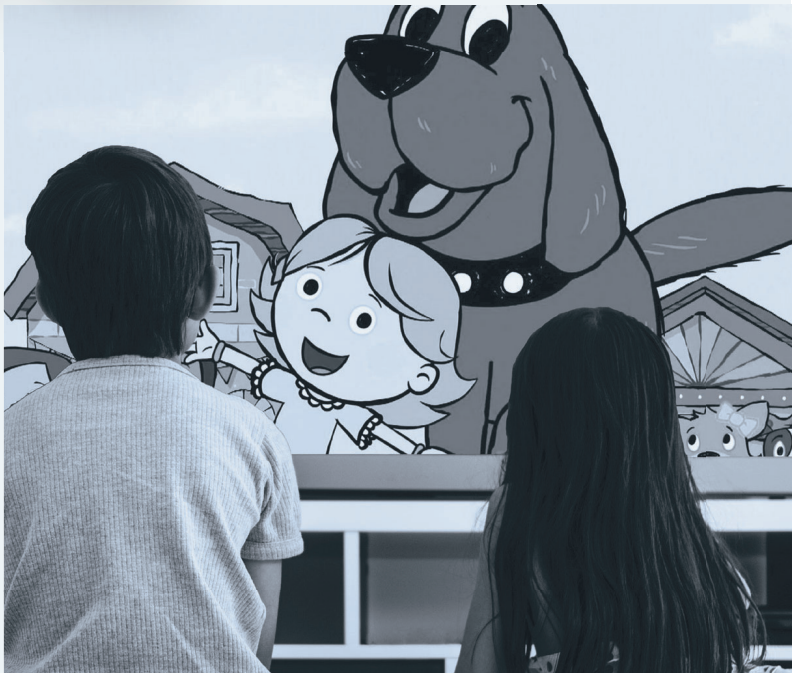


SCHOLASTIC

ANNUAL REPORT

2025 2026



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We ended fiscal 2026 a more focused company, with stronger alignment across our businesses, a more efficient balance sheet and a clearer operating foundation. Building on our multi-year transformation, fiscal 2027 is an execution year, and we are optimistic about the opportunity to translate this progress into renewed, profitable growth. Scholastic is well positioned to deepen its impact and create sustained value for shareholders.

- **Peter Warwick**
President & CEO

SCHOLASTIC

557 Broadway, New York, NY 10012 • 212 343 6100 • scholastic.com

August 7, 2026

Fellow Shareholders,

Fiscal 2026 was an important year for Scholastic. It demonstrated the earnings power of the more focused company we have been building, and the progress we have made evolving a trusted, century-old company to scale its impact and create long-term value for our shareholders and all stakeholders.

This progress reflects a multi-year transformation of Scholastic's governance, organization, strategy and balance sheet. During the fiscal year, we refreshed our Board, strengthened our management team, reorganized to unlock efficiencies and create more integrated growth platforms, sharpened accountability across the Company, and took major steps to make our balance sheet more efficient and enhance our shareholder returns.

In fiscal 2026 profitability improved despite lower revenues, which reflected challenging prior-year Trade comparisons and continued funding volatility impacting Education. This achievement demonstrated disciplined cost management across the Company and the operating leverage in Scholastic's model. Book Fairs continued to perform well, Entertainment returned to growth, and Education showed improving trends in the second half, reinforcing our confidence in Scholastic's long-term strategy.

Fiscal 2026 was also a major year for capital deployment and balance-sheet optimization. The sale-leaseback transactions unlocked over $400 million in net proceeds from our real estate assets, enabling us to accelerate shareholder returns through open-market repurchases, a modified Dutch auction tender offer and dividends. During the year, we returned over $285 million to shareholders, established a long-term leverage framework that supports disciplined investment and continued capital returns, and recently announced a 25% increase in our regular dividend.

The strategy through this transformation is simple, grounded in Scholastic's mission and trusted brand: Scholastic brings children to reading. We do that through the books and stories we publish; the school channels that give millions of kids access to books, creating moments of discovery and engagement; the media and digital platforms that extend engagement with our IP; and the science-based literacy solutions that support reading achievement in classrooms, homes and communities.

The market is aligning with this direction. Families, educators and policymakers are increasingly focused on children's reading achievement, trusted content, sustained attention, print-rich experiences and healthier screen balance. Schools are looking for coherent literacy solutions that are practical to implement and grounded in evidence. Parents are looking for content and tools they can trust.

In this moment, Scholastic's distinctive strengths – our authentic stories, human creativity, editorial and curatorial expertise, respect for children, trusted brand, and direct reach to families and schools – become more valuable. What further differentiates Scholastic is our ability to connect these capabilities across the Company.

Fiscal 2026 showed our progress in bringing these capabilities together more effectively. Fiscal 2027 is about translating that progress into stronger performance.

The Children's Book Group, which brings together our leading children's publishing business and proprietary school-based channels, is a central pillar of Scholastic's growth, operating leverage and impact. In fiscal 2026, Book Fairs remained a core earnings engine, while the continued strength of our publishing program and major franchises reinforced the durability and long-term value of the portfolio. In fiscal 2027, our focus is on translating these combined strengths into more consistent growth, profitability and impact.

Following the successful integration of 9 Story Media Group, Entertainment returned to growth in fiscal 2026 and strengthened Scholastic's ability to extend its IP across formats and markets. With a growing slate of contracted and development projects, we enter fiscal 2027 with greater visibility and expanded capabilities to reach new audiences and continue to build long-term franchise value.

In Education, continued funding volatility pressured revenue and profitability in fiscal 2026. We repositioned the business under new leadership, with a more focused strategy and better-aligned cost structure. In fiscal 2027, our priority is to improve performance and position Education for renewed growth around Scholastic's core literacy strengths.

International delivered improved profitability in fiscal 2026 and continues to extend the reach of Scholastic's publishing and franchises across key global markets. By combining strong local publishing with the global appeal of our leading authors, stories and brands, the business is positioned to benefit from major publishing and franchise activity in fiscal 2027.

In conclusion, we ended fiscal 2026 a more focused company, with stronger alignment across our businesses, a more efficient balance sheet and a clearer operating foundation. Building on our multi-year transformation, fiscal 2027 is an execution year, and we are optimistic about the opportunity to translate this progress into renewed, profitable growth. With a strong publishing pipeline, continued momentum in Book Fairs, expanded media capabilities and a repositioned Education business, Scholastic is well positioned to deepen its impact and create sustained value for shareholders.

I want to thank our employees for their commitment and creativity; our authors and illustrators for the stories they bring to children; our educators, families, customers and partners for their trust; and our shareholders for their continued support.

Sincerely,

Peter Warwick
President and Chief Executive Officer

Forward-Looking Statements: This Letter contains certain forward-looking statements relating to future periods. Such forward-looking statements are subject to various risks and uncertainties, including the conditions of the children's book and educational materials markets and acceptance of the Company's products within those markets, and other risk and factors identified from time to time in the Company's filings with the Securities and Exchange Commission. Actual results could differ materially from those currently anticipated.

SCHOLASTIC

United States
Securities and Exchange Commission

Washington, D.C. 20549

Form 10-K

Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended May 31, 2026 Commission File No. 000-19860

Scholastic Corporation

(Exact name of Registrant as specified in its charter)

Delaware	**13-3385513**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
557 Broadway	
New York, New York	**10012**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 343-6100
Securities Registered Pursuant to Section 12(b) of the Act:

Title of Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	SCHL	The NASDAQ Stock Market LLC

Securities Registered Pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☒ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the Common Stock, par value $0.01, held by non-affiliates as of November 30, 2025, was approximately $707,200,000. As of such date, non-affiliates held 382,648 shares of the Class A Stock, $0.01 par value. There is no active market for the Class A Stock.

The number of shares outstanding of each class of the Registrant's voting stock as of June 30, 2026 was as follows:

Title of each class	Number of shares outstanding as of June 30, 2026
Common Stock, $0.01 par value	18,034,475
Class A Stock, $0.01 par value	828,100

Documents Incorporated By Reference

Part III incorporates certain information by reference from the Registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held September 16, 2026.

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Part I

Item 1 | Business

Overview

Scholastic Corporation (the "Corporation" and together with its subsidiaries, "Scholastic" or the "Company") is the world's largest publisher and distributor of children's books, a leading provider of print and digital instructional materials for grades pre-kindergarten ("pre-K") to grade 12 and a producer of entertaining literary and educational children's media. The Company creates quality print, digital and audio books, learning materials and programs, classroom magazines and other products that, in combination, offer children, families and educators engaging and comprehensive solutions to support children's learning and reading both at home and at school. Since its founding in 1920, Scholastic has emphasized quality products and a dedication to reading, learning and literacy. The Company is the leading operator of school-based book club and book fair proprietary channels. It distributes its products and services through these channels, retail stores and the internet, as well as directly to schools and libraries. The Company's website, scholastic.com, is a leading site for teachers, classrooms and parents and an award-winning destination for children. Scholastic has operations in the United States and throughout the world including Canada, the United Kingdom, Ireland, Australia, New Zealand and Asia and, through its export business, sells products in approximately 145 international locations.

Segments

The Company categorizes its businesses into four reportable segments: *Children's Book Publishing and Distribution*; *Education; Entertainment;* and *International.*

The following table sets forth revenues by reportable segment for the three fiscal years ended May 31:

(Amounts in millions)

	2026	2025	2024
Children's Book Publishing and Distribution	$ 964.2	$ 963.9	$ 953.3
Education	267.6	309.8	351.2
Entertainment [1]	65.7	61.0	1.9
International	277.2	279.6	273.6
Overhead [2]	7.2	11.2	9.7
Total	**$ 1,581.9**	**$ 1,625.5**	**$ 1,589.7**

(1) The *Entertainment* segment includes the operations of 9 Story Media Group Inc. as acquired on June 20, 2024, including its studios in Canada, Ireland and Indonesia ("9 Story"), and Scholastic Entertainment Inc. ("SEI"). SEI was reported in the *Children's Book Publishing and Distribution* segment in fiscal 2024. The financial results for SEI for fiscal 2024 have been reclassified to *Entertainment* to reflect this change.

(2) Overhead includes all domestic corporate amounts not allocated to segments, including expenses and costs related to the management of corporate assets and rental income related to leased space in the Company's headquarters. As a result of the sale and leaseback transactions completed during the third quarter of fiscal 2026, the Company no longer owns the underlying leasable space. Refer to Note 4, "Sale and Leaseback Transactions", and Note 11, "Leases", of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further details.

Additional financial information relating to the Company's reportable segments is included in Note 3, "Segment Information", of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data," which is included herein.

CHILDREN'S BOOK PUBLISHING AND DISTRIBUTION

(61.0% of fiscal 2026 revenues)

General

The Company's *Children's Book Publishing and Distribution* segment includes the publication and distribution of children's print, digital and audio books, media and interactive products in the United States through its School Reading Events business and through the trade channel. This segment comprises the Company's Children's Book Group, which includes the Book Fairs, Book Clubs, and Trade Publishing divisions.

The Company is the world's largest publisher and distributor of children's books and is the leading operator of school-based book clubs and school-based book fairs in the United States. The Company is also a leading publisher of children's print books, ebooks and audiobooks distributed through the trade channel. Scholastic publishes a broad range of children's books through its channels, many of which have received awards for excellence in children's literature, including the Caldecott and Newbery Medals.

The Company obtains titles for sale through its distribution channels from three principal sources. The first source for titles is the Company's publication of books created under agreements with authors, illustrators, book packagers or other media companies. Scholastic generally controls the exclusive rights to sell and distribute these titles through all channels of distribution in the United States and, to a lesser extent, internationally. Scholastic's second source of titles is through obtaining licenses to sell books exclusively in specified channels of distribution, including reprints of books originally published by other publishers for which the Company acquires rights to sell in the school market. The third source of titles is the Company's purchase of finished books from other publishers.

School Reading Events

The Company's School Reading Events business is comprised of school-based book fairs and school-based book clubs. This business focuses on distributing quality books to children through school channels.

School-Based Book Fairs

The Company entered the school-based book fairs channel in 1981 under the name Scholastic Book Fairs. The Company is the leading distributor of school-based book fairs in the United States serving schools in all 50 states. Book fairs provide children access to hundreds of popular, quality books and educational materials, increase student reading and help book fair organizers raise funds for the purchase of school library and classroom books, supplies and equipment. Book fairs have traditionally been weeklong events where children and families peruse and purchase their favorite books together. The Company typically delivers book fairs product from its warehouses to schools principally by a fleet of Company-owned and leased vehicles. Sales and customer service representatives, working from the Company's regional offices, distribution facilities and national distribution facility in Missouri, along with local area field representatives, provide support to book fair organizers. Physical book fairs are conducted by school personnel, volunteers and parent-teacher organizations, from which the schools may receive either books, supplies and equipment or a portion of the proceeds from the book fair.

School-Based Book Clubs

Scholastic founded its first school-based book club in 1948. The Company's school-based book clubs consist of reading clubs for pre-K through grade 8. In addition to its regular reading club offerings, the Company creates special theme-based and seasonal offers targeted to different grade levels during the year.

The Company distributes promotional materials containing order forms to classrooms in pre-K to grade 8 schools in the United States. Classroom teachers who wish to participate in a school-based book club provide the promotional materials to their students, who may choose from curated selections at substantial reductions from list prices. A majority of book club revenues is generated through the Company's online ordering platform, with a substantial portion coming from orders placed directly by parents. Alternatively, the teacher may manually aggregate the students' orders and forward them to the Company. Products are typically shipped to the classroom for distribution to the students. Teachers who participate in book clubs receive bonus points and other promotional incentives, which may be redeemed from the Company for additional books and other resource materials and items for their classrooms or the school.

Trade

Scholastic is a leading publisher of children's books sold through bookstores, online retailers and mass merchandisers primarily in the United States. Scholastic's original publications include Harry Potter®, The Hunger Games®, The Baby-Sitters Club®, The Magic School Bus®, Captain Underpants®, Dog Man®, Wings of Fire™, Cat Kid Comic Club®, *I Survived*, Goosebumps® and Clifford The Big Red Dog®, and licensed properties such as Peppa Pig® and Pokemon®. In addition, Klutz® and Make Believe Ideas™ publish and create "books plus" and novelty products for children, including Klutz titles such as *Mini Shake Shop, Pokemon Stained Glass*, and *LEGO® Miniature Photography* and titles in the *Never Touch®* series from Make Believe Ideas.

The Company's trade organization focuses on publishing, marketing and selling books to bookstores, online retailers, mass merchandisers, specialty sales outlets and other book retailers, and also supplies books for the Company's proprietary school channels. The Company maintains a talented and experienced creative staff that constantly seeks to attract, develop and retain the best children's authors and illustrators. The Company believes that its trade publishing staff, combined with the Company's reputation and proprietary school distribution channels, provides a significant competitive advantage, evidenced by numerous bestsellers over the past two decades. Top selling new release titles in the trade division during fiscal 2026 included *Dog Man #14: Big Jim Begins*, the interactive edition of *Harry Potter and the Goblet of Fire*, *Wings of Fire Graphix Novel #9: Talons of Power* and *Legends: Darkstalker, The Baby-Sitter's Club #19: Dawn on the Coast,* and *Heartstopper #6*.

Also included in the Company's trade organization are Weston Woods Studios, Inc. ("Weston Woods") and Scholastic Audio. Weston Woods creates audiovisual adaptations of classic children's picture books distributed through the school and retail markets. Scholastic Audio provides audiobook productions of popular children's titles.

EDUCATION

(16.9% of fiscal 2026 revenues)

The *Education* segment (formerly known as *Education Solutions*) includes the publication and distribution of children's books, classroom magazines, and print and digital instructional materials to schools and libraries in the United States. These offerings include fiction and nonfiction products, classroom libraries, and literacy-focused instructional resources, as well as print and online reference materials. The segment also encompasses consulting services and related products that support professional development for teachers and school and district administrators, including professional books, coaching, workshops, and seminars. Collectively, these products and services are designed to support instruction across grades pre-K through 12.

The segment's offerings are organized into three primary components: (i) Teacher, (ii) School and District, and (iii) Family and Community.

Teacher
Scholastic is the leading publisher of classroom magazines through its Scholastic Magazines+™ platform. Teachers in grades pre-K through 12 use the Company's portfolio of 31 classroom magazines, including Scholastic News®, Let's Find Out®, Scholastic Scope®, Storyworks®, and Junior Scholastic®, to supplement instructional programs by introducing current, curriculum-aligned content across subjects such as current events, literature, mathematics, science, social studies, and foreign languages. These offerings provide schools with substantial nonfiction and fiction content, structured according to a common instructional model aligned with the science of reading and evidence-based practices.

Each print magazine is complemented by a digital experience that provides instructional resources, including interactive content and digital editions. In fiscal 2026, Scholastic's classroom magazine circulation in the United States was approximately 10.2 million, with approximately 81% of circulation serving grades pre-K through 6. The majority of subscriptions are funded by school or district funds, with the remainder funded by teachers and parents.

The Company also provides a range of resources for teachers and school leadership, including lesson planning, reading and classroom management tools, and instructional support materials. These products are available through the Company's online teacher store (www.scholastic.com/teacherstore).

School and District
Scholastic is a leading provider of classroom libraries and take-home book solutions, curating a broad range of best-selling and high-quality titles, to individual teachers and other educators, schools, and school district customers. The Company supports schools in building classroom and library collections with high-quality, award-winning books across all grades, reading levels, and diverse cultural backgrounds. This includes the Company's Knowledge Library, which is a structured literacy solution supporting knowledge building and differentiation, as well its Core-Aligned Collections, highly engaging book collections aligned with and designed to complement most major core English Language Arts curricula.

Scholastic addresses customer needs for literacy instruction by providing comprehensive core and supplemental literacy and reading programs that include both print and digital content, as well as assessment tools. These offerings are generally purchased by school districts and school leadership, typically through the Company's direct sales channels. The Company's portfolio includes research-based literacy solutions such as the Ready4Reading™ phonics curriculum and the comprehensive early childhood program, PreK On My Way™. In addition, the Company offers

summer learning programs designed to increase students' access to books and support continued learning during the summer months. Scholastic also offers professional services to support academic leadership, including training on product implementation and strategies for engaging families and communities.

Family and Community
The Company partners with states, community-based organizations, philanthropies, schools and school districts to provide children access to books at home and in the community, generally at no cost to the child or family. These books are purchased with state funds and are typically shipped directly to students' homes.

The Company also offers solutions designed to engage and support families and community-based organization to support children's reading and literacy development, through its Scholastic Family and Community Engagement ("FACE")™ and Literacy Partners programs.

ENTERTAINMENT

(4.2% of fiscal 2026 revenues)

The *Entertainment* segment includes the operations of 9 Story Media Group Inc. as acquired on June 20, 2024, including its studios in Canada, Ireland and Indonesia ("9 Story"), and Scholastic Entertainment Inc. ("SEI").

This segment includes the development, production, distribution and licensing of kids and family film and television content. This segment, through its creative affairs group, creates, develops, and produces award-winning branded properties using owned or licensed IP. The Company has an in-house animation studio, Brown Bag Films, which is recognized for producing high-quality and popular programs such as "Doc McStuffins®," "Daniel Tiger's Neighborhood®," "Octonauts®," "Wild Kratts®," "Blue's Clue's & You!®," and "The Magic School Bus Rides Again™". In addition, in June 2026, the segment launched Bad Pencil Animation™, a new label focused on the production of animated projects for teen and adult audiences.

This segment is also responsible for exploiting the Company's film and television assets, which include a large television programming library based on the Company's IP as well as third party programs. The Company distributes its animated and, to a lesser extent, live-action programming through various domestic and international channels, including subscription video on demand (SVOD), linear TV (traditional broadcast) and advertising-based video on demand (AVOD) including YouTube.

The Company has a consumer products division which builds global entertainment brands for kids, with expertise across creative, brand marketing, licensing and merchandising, working closely with the television and digital distribution teams, as well as third party IP owners, licensees and retailers, to ensure coordinated and strategic brand management.

INTERNATIONAL

(17.5% of fiscal 2026 revenues)

General

The *International* segment includes the publication and distribution of products and services outside the United States by the Company's international operations, and its export and foreign rights businesses.

Scholastic has operations in Major Markets, which include Canada, the United Kingdom, Ireland, Australia, and New Zealand, as well as in India, Singapore and other parts of Asia including Malaysia, the Philippines, China, Taiwan and Korea. The Company has branches in the United Arab Emirates and Colombia and also sells products in approximately 145 international locations through its export business. The Company's international operations have original trade and educational publishing programs; distribute children's books, digital educational resources and other materials through school-based book clubs, school-based book fairs and trade channels; and produce and distribute magazines and online subscription services. Many of the Company's international operations also have their own export and foreign rights licensing programs and are book publishing licensees for major media properties. Original books published by many of these operations have received awards for excellence in children's literature.

Canada

Scholastic Canada, founded in 1957, is a leading publisher and distributor of English and French language children's books in Canada. Scholastic Canada is the largest operator of school-based marketing channels in Canada and is one of the leading suppliers of original or licensed children's books to the Canadian trade market. Since 1965, Scholastic Canada has also produced quality Canadian-authored books and educational materials, including an early reading program sold to schools for grades K to 6.

United Kingdom

Scholastic UK, founded in 1964, is the largest operator of school-based marketing channels in the United Kingdom and is a publisher and one of the leading suppliers of original or licensed children's books to the United Kingdom trade market. Scholastic UK also publishes supplemental educational materials, including professional books for teachers. The Company also operates school-based marketing channels in Ireland.

Australia

Scholastic Australia, founded in 1968, is the largest operator of school-based marketing channels in Australia, reaching approximately 90% of the country's primary schools. Scholastic Australia also publishes quality children's books supplying the Australian trade market and publishes and distributes educational materials, including online subscription services.

New Zealand

Scholastic New Zealand, founded in 1962, is the largest children's book publisher and the leading book distributor to schools in New Zealand. Through its school-based book clubs and book fairs channels, Scholastic New Zealand reaches approximately 90% of the country's primary schools. In addition, Scholastic New Zealand publishes quality children's books supplying the New Zealand trade market and publishes and distributes educational materials, including online subscription services.

Asia

The Company's Asian operations consist of initiatives for educational publishing programs based out of Singapore. In addition, the Company operates school-based marketing channels throughout Asia; publishes original titles in English and Hindi languages in India, including specialized curriculum books for local schools; and conducts reading improvement programs inside local schools in the Philippines.

Foreign Rights and Export

The Company licenses the rights to select Scholastic titles in 65 languages to other publishing companies around the world. The Company's export business sells educational materials, digital educational resources and children's books to schools, libraries, bookstores and other book distributors in approximately 145 international locations that are not otherwise directly serviced by Scholastic subsidiaries. The Company also partners with governments and non-governmental agencies to create and distribute books to public schools in developing countries.

PRODUCTION AND DISTRIBUTION

The Company's books, magazines and other materials are manufactured by the Company with the assistance of third parties under contracts entered into through arms-length negotiations and competitive bidding. As appropriate, the Company enters into multi-year agreements that guarantee specified volumes in exchange for favorable pricing terms. Paper is purchased directly from paper mills and other third-party sources.

In the United States, the Company mainly processes and fulfills orders for school-based book clubs, trade, reference and non-fiction products, educational products and export orders from its primary warehouse and distribution facility in Jefferson City, Missouri. In connection with its trade business, the Company may fulfill product orders directly from printers to customers. Magazine orders are processed at the Jefferson City facility and the magazines are shipped directly from printers. School-based book fairs are fulfilled through a network of warehouses across the country, as well as from the Company's Jefferson City warehouse and distribution facility. The Company's international school-based book clubs, school-based book fairs, trade and educational operations use distribution systems similar to those employed in the United States.

CONTENT ACQUISITION

Access to intellectual property or content ("Content") for the Company's product offerings is critical to the success of the Company's operations. The Company incurs significant costs for the acquisition and development of Content for its product offerings. These costs are often deferred and recognized as the Company generates revenues derived from the benefits of these costs. These costs include the following:

- **Prepublication costs -** Prepublication costs are incurred in all of the Company's reportable segments except the *Entertainment* segment. Prepublication costs include costs incurred to create the art, prepress, editorial, digital conversion and other content required for the creation of the master copy of a book or other media.

- **Investment in film and television programs -** The Company's *Entertainment* segment incurs costs related to investment in film and television programs. This includes all direct production and financing costs incurred during production and minimum guarantee payments made to acquire distribution rights.

- **Royalty advances -** Royalty advances are incurred in all of the Company's reportable segments except the *Entertainment* segment, but are most prevalent in the *Children's Book Publishing and Distribution* segment and enable the Company to obtain contractual commitments from authors, illustrators, licensors and other publishers to produce Content. The Company regularly provides these content providers with advances against expected future royalty payments, often before the books are written. Upon publication and sale of the books or other media, the content providers will not receive royalty payments until the contractual royalties earned from sales of such books or other media exceed such advances. The Company values its position in the market as the largest publisher and distributor of children's books in obtaining Content, and the Company's experienced editorial staff aggressively acquires Content from both new and established authors and illustrators.

- **Acquired intangible assets -** The Company may acquire fully or partially developed Content from third parties via acquisitions of entities or the purchase of the rights to Content outright.

SEASONALITY

The Company's *Children's Book Publishing and Distribution* school-based book club and book fair channels and most of its *Education* businesses operate on a school-year basis; therefore, the Company's business is highly seasonal. As a result, the Company's revenues in the first and third quarters of the fiscal year generally are lower than its revenues in the other two fiscal quarters. Typically, school-based channels and magazine revenues are minimal in the first quarter of the fiscal year as schools are not in session. Education channel revenues are generally higher in the fourth quarter. Trade channel and *Entertainment* segment revenues can vary throughout the year due to the timing of published titles' release dates and program production deliveries and the start dates of distribution license agreements.

COMPETITION

The markets for children's books, educational products and entertainment materials are highly competitive. Competition is based on the quality and range of materials made available, price, promotion and customer service, as well as the nature of the distribution channels. Competitors include numerous other book, ebook, library, reference material and educational publishers, including of core and supplemental educational materials in both print and digital formats, distributors and other resellers (including over the internet) of children's books and educational materials, national publishers of classroom and professional magazines with substantial circulation, distributors of products and services on the internet and producers of film and television content. In the United States, competitors include regional and local school-based book fair operators and other fund raising activities in schools and bookstores, as well as one other competitor operating on a national level. Competition may increase to the extent that other entities enter the market and to the extent that current competitors or new competitors develop and introduce new materials that compete directly with the products distributed by the Company or develop or expand competitive sales channels. The Company believes that its position as both a publisher and distributor are unique to certain of the markets in which it competes, principally in the context of its children's book business.

COPYRIGHT AND TRADEMARKS

As an international publisher and distributor of books, Scholastic aggressively utilizes the intellectual property protections of the United States and other countries in order to maintain its exclusive rights to identify and distribute many of its products. Accordingly, SCHOLASTIC is a trademark registered in the United States and in a number of countries where the Company conducts business or otherwise distributes its products. The Corporation's principal operating subsidiary in the United States, Scholastic Inc., and the Corporation's international subsidiaries, through Scholastic Inc., have registered and/or have pending applications to register in relevant territories trademarks for important services and programs. All of the Company's publications, including books and magazines, are subject to copyright protection both in the United States and internationally. The Company also obtains domain name protection for its internet domains. The Company seeks to obtain the broadest possible intellectual property rights for its products, and because inadequate legal and technological protections for intellectual property and proprietary rights could adversely affect operating results, the Company vigorously defends those rights against infringement.

HUMAN CAPITAL

As of May 31, 2026, the Company had approximately 6,905 employees, of which 4,710 were located in the United States and 2,195 outside the United States. Globally, approximately 74% of its employees are employed on a full-time basis, 22% part-time, and 4% seasonal. The seasonal employees are largely associated with the school-based businesses which are dependent on the fall and spring seasons when schools are in session.

The table below represents the approximate number of employees by business channel and function:

	Full-time	Part-time	Seasonal	Total
Central Functions [1]	725	30	—	755
Primary U.S. Warehouse	605	80	15	700
Book Fairs Warehouses	650	1,110	105	1,865
Scholastic Reading Events	495	70	5	570
Trade	230	5	—	235
Education	525	55	—	580
Entertainment	615	5	—	620
International	950	60	25	1,035
International Warehouses	295	100	150	545
Total	**5,090**	**1,515**	**300**	**6,905**

[1] Includes functions such as finance, accounting, executive, information technology, human resources, legal, and inventory demand planning.

Within the workplace, the Company's efforts remain focused on ensuring a respectful and inclusive workplace culture and environment, with its employees being well positioned to help the Company to advance its mission of inspiring all children to become life-long readers and learners.

The Company is also committed to helping its employees and their families lead healthy productive lives. The Company's benefits packages and wellness programs help its employees succeed at work and at home. The Company offers comprehensive compensation and benefits packages designed to attract and retain its employees and is committed to achieving pay equity and aligning rewards to performance. The Company's benefits program provides an array of flexible plans to meet the needs of eligible employees, which include, among other things, medical, dental and vision plans, health management and incentive programs, flexible spending arrangements, life and disability insurance, retirement plans, work/life balance programs, 401k contribution matching, an employee discount program including discounts on Scholastic products and an Employee Stock Purchase Plan ("ESPP"). The ESPP provides eligible employees the opportunity to purchase Scholastic common stock at a discount. The Company also provides eligible employees paid time off, in addition to volunteer hours, to enable involvement in community affairs.

Successful execution of the Company's mission is dependent on attracting, retaining and developing its employees, including members of its management teams. The Company's learning and development program enhances organizational effectiveness by identifying skill gaps and assessing needs that can be supported by providing high quality educational and developmental programs that are measurable and serve to increase employees' skills, knowledge, and effectiveness. In addition to required annual trainings on key topics including compliance, ethics and integrity and information security, employees have access to the Scholastic Learning Center, a learning portal that includes self-paced online courses, books, and videos, as well as virtual and live instructor-led opportunities.

EXECUTIVE OFFICERS

The following individuals have been determined by the Board of Directors to be the executive officers of the Company. Each such individual serves in their position with Scholastic until such person's successor has been elected or appointed and qualified or until such person's earlier resignation or removal.

Name	Age	Employed by Registrant Since	Current and Previous Position(s) Held as of July 24, 2026
Peter Warwick	74	2021	President and Chief Executive Officer (since 2021); Board of Directors Member (since 2014); Chief People Officer of Thomson Reuters (2012 - 2018).
Haji L. Glover	52	2024	Executive Vice President and Chief Financial Officer (since 2024); Director of Finance, Amazon.com, Inc. (2022-2024); Senior Vice President, Corporate Finance, Scholastic Inc. (2020-2022); Vice President, Global Financial Reporting and Analysis, Alvogen, Inc. (2012-2020).
Chris Lick	54	2008	Executive Vice President, General Counsel and Secretary (since 2025); Senior Vice President and Deputy General Counsel (2024-2025); Vice President and Managing Counsel (2020-2024).
Iole Lucchese	59	1991	Chair of the Board of Directors (since 2021); Executive Vice President (since 2016); Chief Strategy Officer (since 2014); President, Scholastic Entertainment (since 2018); President, Scholastic Canada (2016).
Sasha Quinton	48	2020	Executive Vice President and President, Scholastic Children's Book Group (since 2025); Executive Vice President and President, School Reading Events (2023-2025); Executive Vice President and President, Scholastic Book Fairs (2020-2023); Vice President & GMM, Bookstore, Barnes and Noble, Inc. (2019); Senior Vice President, Marketing and Procurement, ReaderLink Distribution Services (2017-2019); Vice President, Marketing and Procurement, ReaderLink Distribution Services (2014-2017).
Jeffrey Mathews	59	2022	President, Scholastic Education (since 2026); Executive Vice President and Chief Growth Officer (since 2024); Executive Vice President, Corporate Development and Investor Relations (2022-2024); Managing Partner, Gagnier Communications (2017-2022).

AVAILABLE INFORMATION

The Corporation's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports are accessible at the Investor Relations portion of its website (scholastic.com) and are available, without charge, as soon as reasonably practicable after such reports are electronically filed or furnished to the Securities and Exchange Commission ("SEC"). The Company also posts the dates of its upcoming scheduled financial press releases, telephonic investor calls and investor presentations on the "Events and Presentations" portion of its website at least five days prior to the event. The Company's investor calls are open to the public and remain available through the Company's website for at least 45 days thereafter.

The public may also read and copy materials that the Company files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. The public may obtain information, as well as copies of the Company's filings, from the Office of Investor Education and Advocacy by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site, at www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Item 1A | Risk Factors

Set forth below and elsewhere in this Annual Report on Form 10-K and in other documents that the Corporation files with the SEC are risks that should be considered in evaluating an investment in the Corporation's common stock, as well as risks and uncertainties that could cause the actual future results of the Company to differ from those expressed or implied in the forward-looking statements contained in this Report and in other public statements the Company makes. Additionally, because of the following risks and uncertainties, as well as other variables which may affect the Company's operating results in the conduct of its business, the Company's past financial performance should not be considered an indicator of future performance.

Risks Related to Our Business and Operations

If we fail to maintain strong relationships with our authors, illustrators and other creative talent, as well as to develop relationships with new creative talent, our business could be adversely affected.

The Company's business, in particular the trade publishing and entertainment portions of the business, is highly dependent on maintaining strong relationships with the authors, illustrators, animators and other creative talent who produce the products and services that are sold to its customers. Developing new relationships with creative talent is another important enabler of our business. Any overall weakening of our existing relationships, or the failure to develop successful new relationships, could have an adverse impact on the Company's business and financial performance.

If we fail to adapt to new purchasing patterns or trends, our business and financial results could be adversely affected.

The Company's business is affected significantly by changes in customer purchasing patterns or trends in, as well as the underlying strength of, the trade, educational and entertainment markets for children. In particular, the Company's educational publishing business may be adversely affected by budgetary restraints and other changes in educational funding as a result of new policies which could be implemented at the federal level or otherwise resulting from new legislation or regulatory action at the federal, state or local level, or by changes in the procurement process, to which the Company may be unable to adapt successfully. In addition, there are many competing demands for educational funds, and there can be no guarantee that the Company will be successful in continuing to obtain sales of its educational programs and materials from any available funding. Further, changes in educational practices affecting structure or content of educational materials or requiring adaption to new learning approaches, particularly in grades pre-K through 6, as well as those which may arise from new legislation or policies at the state or local level directed at content or teaching practices and materials, to which the Company is unable to successfully adapt could result in a loss of business adversely affecting the Company's business and financial performance. In addition, in a highly politicized environment, the content of some of the products being sold by the Company could become controversial, negatively impacting sales made to schools, through partnerships with government agencies or through sponsorships and funding programs. Within the School Reading Events business, the Company's financial performance could be adversely impacted if its U.S. book clubs channel is unable to adapt to internal changes and the external market. The Company has recently taken a new holistic approach to serving its customers through the reorganization of the Company's Trade, Book Fairs and Clubs businesses into a combined Children's Book Group. The Children's Book Group's ability to execute on the new customer-centric strategies and obtain the operational improvements expected to be derived from the reorganization, if not aligned with its customer purchasing behaviors, or the benefits expected to be achieved from the reorganization are not otherwise realized, could result in the Company's results being negatively impacted. In addition, the Company's trade business depends on successfully developing and commercializing new titles and original intellectual property that resonate with consumers and can be leveraged across multiple lines of business. While the Company continues to invest in new properties and expand its portfolio, changes in consumer preferences or challenges in achieving broad market appeal could affect the performance of these initiatives and, in turn, impact revenues, profitability, and growth prospects.

Increases in certain operating costs and expenses that are beyond our control and can significantly affect our profitability could adversely affect our operating performance.

The Company's major expense categories include employee compensation, printing, paper and distribution (such as postage, shipping and fuel) costs. Compensation costs are influenced by general economic factors, including those affecting the costs of health insurance, post-retirement benefits and any trends specific to the employee skill sets that the Company requires. Potential shortages for warehouse labor, driver labor and other required skills, as well as labor supply chain issues, such as the impact of union strikes, may cause the Company's costs to increase beyond increases normally expected.

Paper prices fluctuate based on worldwide demand and supply for paper in general, as well as for the specific types of paper used by the Company. The Company is also subject to inflationary pressures on printing, paper, transportation

and labor costs. While the Company has taken steps to manage and budget for certain expected operating cost increases, if there is a significant disruption in the supply of paper or a significant increase in paper costs, or in its shipping or fuel costs, beyond those currently anticipated, which would generally be beyond the control of the Company, or if the Company's strategies to try to manage these costs, including additional cost savings initiatives, are ineffective, the Company's results of operations could be adversely affected. In addition, the bankruptcy of a supplier may result in unanticipated price increases for the Company.

We maintain an experienced and dedicated employee base that executes the Company's strategies. Failure to attract, retain and develop this employee base could result in difficulty with executing our strategy.

The Company's employees, notably its senior executives, editorial staff members, and creative talent, have substantial experience in the publishing, education and entertainment markets. In addition, the Company continues to implement a strategic information technology transformation process, requiring diverse levels of relevant expertise and experience. If the Company were unable to continue to adequately maintain and develop a workforce of this nature meeting the foregoing needs, including the development of new skills in the context of a rapidly changing business environment created by technology, involving new business processes and increased access to data and data analytics, it could negatively impact the Company's operations and growth prospects. In order to develop and maintain its workforce, the Company must provide competitive salaries and benefits and the costs of such salaries and benefits are driven by employment market conditions over which the Company has no control. Additionally, high industry-wide demand for truck drivers may impact the Company's ability to hire and retain adequate staffing levels to deliver book fairs in the number anticipated. Further, the Company's entertainment business is dependent on writers, animators and other talent, who are essential to the development and production of its film and television programs. Any labor dispute, work stoppage, work slowdown, strike by, or a lockout of, one or more of these groups that provide personnel essential to the production of film and television content could delay or halt the Company's ongoing production activities, or could cause a delay or interruption in the release of new film and television content.

The Company has also been engaged in a significant cost management exercise, which has included a reduction in its employee base. If the Company fails to maintain an appropriate employee base to meet the requirements of servicing its business units, including the ability to take advantage of growth opportunities which may present themselves, this could adversely affect the Company's ability to meet its growth expectations as disclosed from time to time.

The failure of third-party providers to provide contracted outsourcing of business processes and information technology services could cause business interruptions and could increase the costs of these services to the Company.

The Company outsources certain business processes to reduce complexity and increase efficiency for activities such as distribution, manufacturing, product development, transactional processing, information technologies and various administrative functions. Increasingly, the Company is engaging third parties to provide software as a service ("SaaS"), which can reduce the Company's internal execution risk, but increases the Company's dependency upon third parties to execute business critical information technology tasks. If outsourced providers (including SaaS providers) are unable to provide these services, fail to execute their contracted functionality, or experience a substantial data breach, the Company could experience damage to its reputation and disruptions to its distribution and other business activities and may incur higher costs.

Failure to realize anticipated cost savings and benefits from the Company's continuous improvement efforts, or business disruptions as a result of these efforts, could adversely affect our business and financial performance.

The Company continues to explore opportunities to enhance the efficiency of its cost and organizational structure, which includes actions to restructure its cost base. The rapidly changing environment in which the Company operates increases the risk that not all of the Company's strategic initiatives will deliver the expected benefits within the anticipated timeframes. The Company's ability to achieve certain of the anticipated cost savings could be dependent on the use of artificial intelligence ("AI") and other technologies and the Company may not be successful implementing such technologies. In addition, these efforts may disrupt business activities or the ability of the Company to take advantage of potential growth opportunities, which could adversely affect the Company's business prospects, financial condition, and performance.

The Company's entertainment business depends on key relationships with buyers of film and television content and uncertainty with buyers or changes in demand for film and television content may impact the financial performance of the entertainment business.

The media and content industry in which the Company's entertainment business operates is rapidly evolving, including the market and demand for film and television content, with the entrance of new major streaming platforms and consolidation of traditional platforms, as well as the changing viewing habits of children and youth. While the

Company believes that the demand for high-quality content will continue, industry trends may continue to change and the Company's entertainment business may be adversely affected by such changing industry trends, including potential impacts of mergers and acquisitions in the industry. There can be no certainty that demand for content will be sustained over the long term, that consumers will have an appetite for the programming produced by the Company's entertainment business or that the Company will be able to identify and be responsive to new content trends.

The rapid development and proliferation of generative artificial intelligence technologies could subject us to increased competitive pressure and legal risks.

Generative artificial intelligence ("Generative AI") technologies pose a broader and more fundamental set of risks to the Company's core business model that the Company may be unable to fully anticipate or mitigate.

Competitive displacement of traditional publishing. Generative AI tools are now capable of producing children's stories, illustrations, educational content, and entertainment scripts at materially lower cost and at greater speed than traditional human-led editorial and creative processes. As these tools continue to improve in quality and become more widely accessible, they may enable authors, educators, and other content producers to develop and distribute children's books and educational materials without engaging traditional publishing services of the kind provided by the Company. This could reduce demand for the Company's trade publishing capabilities and diminish its competitive position relative to self-publishing alternatives. The growing use of self-publishing technologies by authors already represents a competitive risk to the Company's trade publishing business, and the integration of Generative AI into self-publishing workflows is likely to significantly amplify this risk over time.

Competition from AI-enabled educational technologies. The Company's *Education* segment operates in markets that are being reshaped by the continued advance of generative artificial intelligence (AI). While digital and adaptive learning technologies have been used in education for more than a decade, newer AI-enabled tools—including large language model–based tutoring and virtual instructional assistants—are increasingly being adopted and evaluated by schools and school districts, and the pace and extent of adoption vary across grade levels and product segments. As these technologies evolve, some educators and school systems may choose to allocate a greater portion of their instructional budgets toward AI-based or other technology-enabled learning solutions rather than traditional literacy programs, curriculum materials and related products. In addition, these technologies may increase competitive pressures, reduce demand for certain of the Company's offerings, or require the Company to make additional investments in product development and innovation. If the Company is unable to respond effectively to these changes, its revenues, market position and operating results could be adversely affected.

Copyright and training data liability. There is significant uncertainty and ongoing litigation in the United States and other jurisdictions regarding the extent to which the use of copyrighted works to train Generative AI models constitutes copyright infringement and gives rise to liability. The Company's extensive portfolio of published works may have been used, without authorization, in training datasets for Generative AI systems operated by third parties, potentially giving rise to claims that the Company may assert. Conversely, to the extent the Company incorporates Generative AI tools into its own content development or editorial processes, it may face claims that content so generated infringes the intellectual property rights of third parties whose works were used in training those models. The legal standards applicable to such claims remain unsettled and are subject to ongoing judicial and legislative development, and adverse outcomes in this area of law could expose the Company to significant liability or require it to materially alter its use of AI-enabled tools.

There can be no assurance that the Company will be able to adapt its business model and operations sufficiently rapidly or effectively to address the foregoing risks, and the Company's failure to do so could have a material adverse effect on its business, financial condition, and results of operations.

The Company may not be able to sustain, manage or effectively execute on its strategy with respect to its acquisition of 9 Story, which may impact the Company's financial performance.

The expected financial benefits of the Company's acquisition of 9 Story depend, among other things, on its ability to realize synergies with 9 Story and develop new programming utilizing Scholastic's current and future intellectual property that achieves market and audience acceptance. If the Company is unable to do this, the Company's business, financial condition, and performance could be materially and adversely affected.

A significant amount of goodwill and other identifiable intangible assets have been recorded as a result of acquisitions and the Company may never realize the full carrying value of these assets.

The Company has recorded a significant amount of goodwill and other identifiable intangible assets as a result of acquisitions. At May 31, 2026, there was $199.4 million of goodwill and $77.9 million of intangible assets on the Company's Consolidated Balance Sheet. The intangible assets are principally composed of customer lists, customer contracts/relationships, intellectual property, trade names and internally developed software. Failure to achieve business objectives and financial projections could result in asset impairments, which would result in noncash charges to the Company's Consolidated Statement of Operations. Goodwill and intangible assets with indefinite lives are tested for impairment on an annual basis and when events or changes in circumstances indicate that impairment may have occurred. Intangible assets with definite lives, which were $75.8 million at May 31, 2026, are tested for impairment only when events or changes in circumstances indicate that an impairment may have occurred. Determining whether an impairment exists can be difficult as a result of increased uncertainty and requires management to make significant estimates and judgments. A noncash intangible asset impairment charge could have a material adverse effect on the Company's financial position and results of operations. See Note 13, "Goodwill and Other Intangibles" of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further information related to goodwill and intangible assets.

Risks Related to Competition

If we cannot anticipate technology trends and develop new products or adapt to new technologies responding to changing customer preferences, this could adversely affect our revenues or profitability.

The Company operates in highly competitive markets that are subject to rapid change, including, in particular, changes in customer preferences and changes and advances in relevant technologies, including rapid advances in AI. There are substantial uncertainties associated with the Company's efforts to develop successful trade publishing, educational, and media products and services, including digital products and services, for its customers, as well as to adapt its print and other materials to new digital technologies, such as the internet cloud technologies, tablets, mobile and other devices and school-based technologies, as well as uncertainties involving the use of AI in connection with the foregoing. The Company makes significant investments in new products and services that may not be profitable, or whose profitability may be significantly lower than the Company anticipates or has experienced historically. In particular, in the context of the Company's current focus on key digital opportunities, the markets are continuing to develop and the Company may be unsuccessful in establishing itself as a significant factor in any relevant market segment which does develop. Many aspects of markets which could develop for children and schools, such as the nature of the relevant software and devices or hardware, the size of the market, relevant methods of delivery and relevant content, as well as pricing models, are still evolving and will, most likely, be subject to change on a recurring basis until a pattern develops and becomes more defined. This could specifically impact the Company's ability to execute on a digital and print literacy solution, which requires a multi-year investment, through internal development, third party providers and/or acquisitions. In addition, the Company faces market risks associated with systems development and service delivery in its evolving school ordering and ecommerce businesses, as well as in responding to changes in how schools plan to utilize technology for virtual or remote learning and the potential impact on the demand for printed materials in schools.

If we cannot develop new products or services that are accepted by the market as quickly or as efficiently as our competitors, we may experience a material adverse impact on our operating results.

Our financial results would suffer if we fail to successfully differentiate our offerings and meet market needs in school-based book fairs and book clubs, two of our core businesses.

The Company's school-based book fairs and book clubs businesses, which comprise the Company's reading events business, produce a substantial amount of the Company's revenues. The Company is subject to the risks that it will not successfully continue to develop and execute new promotional strategies for the school-based book fairs and book clubs components of the reading events business in response to future customer trends or technological changes or that it will not otherwise meet market needs in this newly combined business in a timely or cost-effective fashion. The book clubs component also relies on attracting and retaining new sponsor-teachers to promote and support the distribution of its offerings. If the Company cannot attract new millennial and younger teachers and meet the changing preferences and demands of these teachers, its revenues and cash flows could be negatively impacted.

The Company has differentiated itself from competitors by providing curated offerings in both of the book clubs and book fairs components of the reading events business designed to make reading attractive for children, in furtherance of its mission as a champion of literacy. Competition from mass market and online distributors using customer-specific curation tools could reduce this differentiation, posing a risk to the Company's results.

The competitive pressures we face in our businesses could adversely affect our financial performance and growth prospects.

The Company is subject to significant competition, including from other trade and educational publishers and media, entertainment and internet companies, as well as retail and internet distributors, many of which are substantially larger than the Company and have much greater resources. To the extent the Company cannot meet challenges from existing or new competitors and develop new product offerings at attractive price points to meet customer preferences or needs, the Company's revenues and profitability could be adversely affected.

In its educational publishing business, the Company invests in various literacy program solutions, including both digital and print products, covering grades pre-K through 6 which can be in direct competition with traditional basal textbook offerings, as well as new digital instruction offerings with associated assessment tools, to meet the perceived needs of the modern curriculum. There can be no assurance that the Company will be successful in having school districts adopt the Company's literacy program solutions in preference to basal textbooks or new digital instruction products offered by others or be successful in state adoptions, nor, in the case of basal textbook publishers, that such publishers will not successfully adapt their business models to the development of new forms of core curriculum, which could have an adverse effect on the return on the Company's investments in this area, as well as on its financial performance and growth prospects. Traditional basal textbook publishers also generally maintain larger sales forces than the Company, and sell across several academic disciplines, allowing them a larger presence than the Company. Additionally, demand for many of the Company's product offerings, particularly books sold through school channels, is subject to price sensitivity. Failure to maintain a competitive pricing model could reduce revenues and profitability.

Changes in the mix of our major customers in our trade distribution channel or in their purchasing patterns may affect the profitability of our trade publishing business.

The Company's distribution channels include online retailers and ecommerce sites, digital delivery platforms and expanding social media and other marketing platforms. An increased concentration of retailer power has also resulted in the increased importance of mass merchandisers as well as of publishing best sellers to meet consumer demand. Currently, the Company's top five U.S. trade customers make up approximately 74% of the Company's U.S. trade business and 15% of the Company's total revenues. Adverse changes in the mix of the major customers of the trade business, including the type of customer, which may also be engaged in a competitive business, or in their purchasing patterns or financial condition or the nature of their distribution arrangements with the trade business including any requirements related to environmental sustainability with which the Company must comply could negatively affect the profitability of the Company's trade business and the Company's financial performance.

The inability to obtain and publish best-selling new titles could cause our future results to decline in comparison to historical results.

The Company invests in authors and illustrators for its trade publication business, and has a history of publishing hit titles. The inability to publish best-selling new titles in future years could negatively impact the Company.

In addition, competition among electronic and print book retailers, including the decrease in the number of independent booksellers, could decrease prices for new title releases, as well as the number of outlets for book sales. The growing use of self-publishing technologies by authors also increases competition and could result in the decreased use of traditional publishing services. The effects of any of the foregoing factors could have an adverse impact on the Company's business, financial condition or results of operation.

Risks Related to Our Financial Condition and Capital Structure

Changes in interest rates, constraints on access to capital, or deterioration in credit market conditions could adversely affect the Company's financial condition, liquidity, and ability to fund its operations and strategic objectives.

The Company's operations and strategic plans, including its ongoing investments in digital transformation, entertainment production, and the integration of acquisitions such as 9 Story, require access to adequate liquidity and financing on commercially reasonable terms. The Company utilizes its credit facilities to support its working capital requirements and capital expenditure programs. Borrowings under any floating-rate credit facilities are subject to variability in interest rates and, accordingly, an increase in prevailing interest rates would increase the Company's cost of borrowing and could adversely affect the Company's interest expense and cash flows.

Tightening in credit market conditions or a deterioration in the Company's operating performance, financial position, or credit profile could adversely affect its ability to access the capital markets or to renew or replace its existing credit facilities on favorable terms, or at all.

Risks Related to Information Technology and Systems

Privacy breaches and other cyber security risks related to our business could negatively affect our reputation, credibility and business.

Like many businesses, the Company faces cybersecurity risks that include attempts to deploy malicious software to intrude on the Company's networks to steal private information of the Company and its customers and other parties, to commence denial of service attacks or to cause other disruption. We have experienced cyberattacks in the past and it is possible that we or third-party service providers on whom we rely may experience such attacks in the future. None of the breaches we have suffered to date have resulted in any material adverse impact on our business. Notwithstanding the investments we have made in cybersecurity products, training and services, we cannot be assured that our cybersecurity measures will always be effective in preventing unauthorized access to our systems and other illegal intrusions or other cyberattacks. A successful cyberattack on the Company could have a material adverse affect on our operations and operating results.

In certain of its businesses the Company holds or has access to personal data, including that of customers or received from schools. Adverse publicity stemming from a data breach, whether or not valid, could reduce demand for the Company's products or adversely affect its relationship with teachers or educators, impacting participation in the book fairs or book clubs components of the Company's reading events business or decisions to purchase educational materials or programs produced by the Company's *Education* segment. Further, a failure to adequately protect personal data, including that of customers or children, or other data security failure, such as cyber-attacks from third parties, could lead to legal actions, fines and penalties, significant remediation costs and reputational damage, including loss of future business.

Failure of one or more of our information technology platforms could affect our ability to execute our operating strategy.

The Company relies on a variety of information technology platforms to execute its operations, including human resources, payroll, finance, order-to-cash, procurement, vendor payment, inventory management, distribution and content management systems as well as its internal operating systems. Many of these systems are integrated via internally developed interfaces and modifications. Failure of one or more systems could lead to operating inefficiencies or disruptions and a resulting decline in revenue or profitability. As the Company continues the implementation of its enterprise-wide customer and content management systems and the migration to SaaS and cloud-based technology solutions, in its initiatives to integrate its separate legacy platforms into a cohesive enterprise-wide system, there can be no assurance that it will be successful in its efforts or that the implementation of the remaining stages of these initiatives in the Company's global operations will not involve disruptions in its systems or processes having a short term adverse impact on its operations and ability to service its customers.

While we have developed policies and controls to minimize the risks to our information technology platform, including the formulation of disaster recovery plans and business continuity plans, there can be no assurance that a failure of our information technology platform, in whole or in part, any disruption or any data security breach would not adversely affect our business and have an adverse impact on our operations and financial results.

Risks Related to Laws and Regulations

Our reputation is one of our most important assets, and any adverse publicity or adverse events, such as a violation of privacy laws or regulations, could cause significant reputational damage and financial loss.

The businesses of the Company focus on children's reading, learning and education, and its key relationships are with educators, teachers, parents and children. In particular, the Company believes that, in selecting its products, teachers, educators and parents rely on the Company's reputation for quality books and educational materials and programs appropriate for children. Negative publicity, either through traditional media or through social media, could tarnish this relationship.

In the ordinary course of our business, we collect and store in our internal and external data centers, cloud services and networks sensitive data, including but not limited to personal information of our customers, including information received from children. The Company is subject to privacy laws and regulations in the conduct of its business in the United States and in other jurisdictions in which it conducts its international operations, many of which vary

significantly, relating to the collection and use of personal information. Significant regulations include the European Union General Data Protection Regulation, which became enforceable on May 25, 2018, and the California Consumer Privacy Act, which became effective in January 2020. As of 2026, approximately 20 states have enacted comprehensive consumer privacy laws, with additional amendments and new requirements continuing to take effect. These laws vary significantly in scope, application, and enforcement and create a complex and evolving compliance environment.

In addition, the Company is also subject to the regulatory requirements of the Children's Online Privacy Protection Act ("COPPA") in the United States relating to access to, and the use of information received from, children in respect to the Company's online offerings. Since the businesses of the Company are primarily centered on children, failures of the Company to comply with the requirements of COPPA and similar laws in particular, as well as failures to comply generally with applicable privacy laws and regulations, as referred to above, could lead to significant reputational damage, legal claims, fines and other penalties and costs, including loss of future business.

Restructuring of federal education programs and agencies, including significant changes to or the potential elimination of the U.S. Department of Education, could materially reduce demand for the Company's educational products and adversely affect its Education business.

The Company's *Education* segment is materially dependent on the availability of federal, state, and local education funding to school districts and other educational institutions for the purchase of literacy programs, educational materials, and related products and services. Federal education funding, including programs administered under the Elementary and Secondary Education Act (including Title I grants targeted at schools serving high concentrations of students from low-income households) and other federal education initiatives, represents a significant source of funding available to the school districts and educational institutions that are the Company's primary customers in this segment.

Since 2025, the federal government has undertaken significant restructuring of the U.S. Department of Education, including material reductions in staffing levels and proposals to reorganize, curtail, or eliminate certain federal education programs and agencies. The scope and ultimate outcome of these restructuring efforts remain subject to significant uncertainty, including as a result of ongoing legislative, regulatory, and judicial proceedings. Any substantial reduction, reorganization, or elimination of federal education funding programs could materially reduce the budgets available to school districts to purchase the Company's literacy programs and educational materials, adversely affecting the Company's *Education* revenues and growth prospects.

While states and localities may seek to offset reductions in federal funding, there is no assurance they will do so, and they may instead reduce their own education budgets or reprioritize available funds away from the literacy materials and programs the Company provides. Any such reduction in available funding at the federal, state, or local level, or any material change in the procurement processes or funding eligibility criteria applicable to the purchase of literacy programs and educational materials, could have a material adverse effect on the Company's *Education* business, financial condition, and results of operations.

Failure to meet the demands of regulators, and the associated high cost of compliance with regulations, as well as failure to enforce compliance with our Code of Ethics and other policies, could negatively impact us.

The Company operates in multiple countries and is subject to different regulations throughout the world. In the United States, the Company is regulated by the Internal Revenue Service, the Securities and Exchange Commission, the Federal Trade Commission and other regulating bodies. Failure to comply with these regulators, including providing these regulators with accurate financial and statistical information that often is subject to estimates and assumptions, or the high cost of complying with relevant regulations, including a significant increase in new regulations resulting from changes in the regulatory environment, could negatively impact the Company.

In addition, the decentralized and global nature of the Company's operations makes it more difficult to communicate and monitor compliance with the Company's Code of Ethics and other material Company policies and to assure compliance with applicable laws and regulations, some of which have global applicability, such as the Foreign Corrupt Practices Act in the United States and the UK Bribery Act in the United Kingdom. Failures to comply with the Company's Code of Ethics and violations of such laws or regulations, including through employee misconduct, could result in significant liabilities for the Company, including criminal liability, fines and civil litigation risk, and result in damage to the reputation of the Company.

The evolving, fragmented and rapidly changing landscape of Environmental, Social and Governance ("ESG") reporting requirements and environmental regulatory obligations at the federal, state, and international levels could expose the Company to significant compliance costs, fines, penalties, and reputational harm.

ESG reporting requirements and related environmental regulatory obligations are evolving rapidly across the multiple jurisdictions in which the Company operates, and the regulatory landscape in this area continues to change in ways that are difficult to predict and that may impose significant compliance burdens on the Company.

In the United States, ESG-related regulatory requirements have expanded significantly at the state level, with individual states, notably California, enacting mandatory climate disclosures of various types. Additional states have enacted or are actively developing similar requirements, resulting in an environment where the Company may simultaneously be subject to multiple overlapping state-level ESG reporting obligations, each with their own filing deadlines and compliance standards. The pace with which such state-level requirements are being introduced or revised means that the Company may not have adequate advance notice of new obligations to implement the systems, processes, and reporting infrastructure required to achieve timely compliance.

In addition, jurisdictions outside of the United States have adopted their own ESG reporting obligations. In particular, the European Union's (EU's) Corporate Sustainability Reporting Directive ("CSRD") requires detailed, audited sustainability disclosures from companies operating within EU jurisdictions above applicable revenue and employee thresholds, applying standards developed under the European Sustainability Reporting Standards ("ESRS"). These international requirements may vary materially from each other and from U.S. requirements, further creating a complex compliance landscape.

In addition to reporting obligations, various jurisdictions impose binding carbon emissions reduction targets, among other requirements. The timelines for such targets are subject to revision and may be accelerated by regulatory authorities without adequate notice, creating a risk that the Company may be unable to adapt its operations and supply chain practices quickly enough to achieve compliance. The Company's printing and distribution operations, may have difficulty in achieving the emissions reductions required under applicable regulatory frameworks within the required timeframes.

Non-compliance with ESG reporting requirements or emissions reduction obligations — whether as a result of missed filing deadlines, incomplete or inaccurate disclosures, or failure to achieve required reductions in the Company's carbon footprint — could result in investigations, fines and civil penalties, restrictions on the Company's ability to operate or sell products in affected jurisdictions, and reputational harm. The significant cost of building and maintaining the reporting infrastructure, third-party verification arrangements, and internal controls required to comply with these evolving obligations could materially increase the Company's operating costs.

There can be no assurance that the Company will be able to identify and respond to new ESG-related regulatory requirements applicable to the Company with sufficient timeliness, or that the Company will achieve all applicable environmental targets within required timeframes. Failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations, and reputation.

Changes in tax laws or a change in tax status may result in a loss of government tax credits in the Company's entertainment business.

The Company, through its economic control of 9 Story, presently benefits from significant Canadian government tax credits at both the federal and provincial level. The Company's entertainment business finances a significant portion of its production budgets from such government tax credits and certain anticipated government tax credits are used as collateral for the production loans. Pursuant to an opinion issued by the Minister of Canadian Heritage with respect to the Company's investment in 9 Story, the Company anticipates that 9 Story will continue to be eligible for such tax credits. The Company could lose its Canadian government tax credits and incentives if the Canadian regulated business into which the Company has invested (9 Story) ceases to be controlled by Canadian nationals. In order to preserve the benefits, the Company's voting equity ownership of 9 Story is limited to 25% of the total voting equity shares outstanding. Further, 9 Story's business is managed by a board of directors, a majority of whose members are Canadian nationals who are not otherwise affiliated with the Company, consistent with the Company's representations to the Canadian Ministry of Heritage. There can be no assurance that the individual tax incentive programs currently available to the Company will not be reduced, amended, or eliminated or that the Company or any specific production will continue to qualify for them, any of which may have an adverse effect on the Company's entertainment business, results of operations, or financial condition.

Risks Related to Our Intellectual Property

The loss of or failure to obtain rights to intellectual property material to our businesses would adversely affect our financial results.

The Company's products generally comprise intellectual property delivered through a variety of media. The ability to achieve anticipated results depends in part on the Company's ability to defend its intellectual property against infringement, as well as the breadth of rights obtained. The Company's ability to do so is subject to the legal protections available under intellectual property laws in the U.S. and other applicable jurisdictions. Unauthorized parties may attempt to illegally use the Company's intellectual property and the measures that are available for us to enforce our proprietary rights may not be sufficient to fully address or prevent all third-party infringement. Further, it is possible that AI and other advanced technologies will make unauthorized use of the Company's intellectual property more feasible and enforcement of our intellectual property rights more difficult as intellectual property becomes easier to replicate or use without authorization.

The Company's operating results could be adversely affected by inadequate legal and technological protections for its intellectual property and proprietary rights in some jurisdictions, markets and media, as well as by the costs of dealing with claims alleging infringement of the intellectual property rights of others, including claims involving business method patents in the ecommerce and internet areas and the licensing of photographs in the trade and educational publishing areas.

The Company's revenues could be constrained by limitations on the rights that the Company is able to secure to exploit its intellectual property in different media and distribution channels, as well as geographic limitations on the exploitation of such rights.

Risks Related to External Factors

Because we procure products and sell our products and services in foreign countries, changes in currency exchange rates, changes in applicable laws and regulations as well as other risks and uncertainties, could adversely affect our operations and financial results.

The Company has various operating subsidiaries domiciled in foreign countries. In addition, the Company sells products and services to customers located in foreign countries where it does not have operating subsidiaries, and a significant portion of the Company's revenues are generated from outside of the United States. The Company's business processes, including distribution, sales, sourcing of content, marketing and advertising, are, accordingly, subject to multiple national, regional and local laws, regulations and policies. The Company could be adversely affected by noncompliance with existing foreign laws, regulations and policies, including those pertaining to foreign rights and exportation. In addition, changes in foreign laws, regulations, or government policies, including tax regulations and accounting standards, may adversely affect our operations and financial results. The Company is also exposed to fluctuations in foreign currency exchange rates and to business disruption caused by political, financial or economic instability or the occurrence of war or natural disasters or pandemics in foreign countries. In addition, the Company and its foreign operations could be adversely impacted by a downturn in general economic conditions on a more global basis caused by general political instability or unrest or changes in global economic affiliations or conditions, such as inflation.

Trade policies and tariff regulations have changed significantly since 2025 and continue to evolve. The United States has imposed, modified, and in certain cases replaced tariffs on imported goods under various statutory authorities, while other countries have implemented or may implement responsive trade measures. Trade policies affecting imports from major trading partners, including China, Canada, Mexico, the European Union, and other countries, remain subject to ongoing regulatory, judicial, and political developments. In addition, uncertainty regarding future trade policies may make it more difficult to forecast costs, manage inventory, and plan pricing strategies. To the extent we are unable to mitigate increased costs through pricing actions, operational efficiencies, sourcing changes, or other measures, our gross margins, operating income, net income, and cash flows could be adversely affected.

Certain of our activities are subject to weather and natural disaster risks as well as other events outside our control, which could disrupt our operations or otherwise adversely affect our financial performance.

The Company conducts certain of its businesses and maintains warehouse and office facilities in locations that are at risk of being negatively affected by severe weather and natural disaster events, including those caused by climate change, such as hurricanes, tornadoes, floods, snowstorms, heat waves or earthquakes. Notably, much of the Company's domestic distribution facilities are located in central Missouri. A disruption of these or other facilities could

impact the Company's school-based reading events business, as well as its trade and education businesses. Additionally, disruptions due to weather, natural disaster, epidemics or pandemics could result in school closures, resulting in reduced demand for the Company's products in its school channels during the affected periods. Further, the Company may not be able to achieve its book fair count goals and may be materially impacted if widespread pandemic-related closures occur this coming school year. Increases in school security associated with high profile school shootings and other tragic incidents could impact the accessibility to schools for the school book fairs component of the Company's reading events business.

Risks Related to Stock Ownership

Control of the Company resides in the Estate of our former Chairman of the Board, President and Chief Executive Officer through the Estate's ownership of Class A Stock, and the holders of the Common Stock generally have no voting rights with respect to transactions requiring stockholder approval.

The voting power of the Corporation's capital stock is vested exclusively in the holders of Class A Stock, except for the right of the holders of Common Stock to elect one-fifth of the Board of Directors and except as otherwise provided by law or as may be established in favor of any series of preferred stock that may be issued. The Estate of Richard Robinson, the former Chairman of the Board, President and Chief Executive Officer of the Company, beneficially owns a majority of the outstanding shares of Class A Stock and is able to elect up to four-fifths of the Corporation's Board of Directors and, without the approval of the Corporation's other stockholders, to effect or block other actions or transactions requiring stockholder approval, such as a merger, sale of substantially all assets or similar transaction. Iole Lucchese, Chair of the Board of Directors, Executive Vice President and Chief Strategy Officer of the Company and President of Scholastic Entertainment, in her capacity as Scholastic special executor of the Estate under Mr. Robinson's will and revocable trust, controls the voting of the Estate's Class A Stock.

The Company's common stock price may be subject to significant fluctuations.

The Company's stock price may be subject to significant fluctuations, which could have an adverse effect on its business and the value of an investment in its common stock. The trading price of the Company's common stock has been and may continue to be subject to significant fluctuations and volatility in response to a variety of factors, including general economic and market conditions, changes in the Company's operating performance and financial results, industry trends and competitive pressures, and changes in analyst recommendations and perceptions.

Note

The risk factors listed above should not be construed as exhaustive of all possible risks that the Company may face. Additional risks not currently known to the Company or that the Company does not consider to be significant at the present time could also impact the Company's consolidated financial position and results of operations.

Forward-Looking Statements:

This Annual Report on Form 10-K contains forward-looking statements relating to future periods. Additional written and oral forward-looking statements may be made by the Company from time to time in SEC filings and otherwise. The Company cautions readers that results or expectations expressed by forward-looking statements, including, without limitation, those relating to the Company's future business prospects and strategic plans, ecommerce and digital initiatives, new product introductions, strategies, new education standards and policies, goals, revenues, improved efficiencies, general costs, manufacturing costs, medical costs, potential cost savings, merit pay, operating margins, working capital, liquidity, capital needs, the cost and timing of capital projects, interest costs, cash flows and income, are subject to risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements, due to factors including those noted in this Annual Report and other risks and factors identified from time to time in the Company's filings with the SEC. The Company disclaims any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

Item 1B | Unresolved Staff Comments

None.

Item 1C | Cybersecurity

Risk Management and Strategy

The Company is dedicated to upholding strong cybersecurity measures to protect its operations, data, and stakeholders' interests. By keeping a close eye on the cybersecurity landscape, the Company is able to adjust its strategies and governance practices to minimize risks in this rapidly changing area.

The Company has embraced the NIST-CSF as a blueprint for its cybersecurity program since 2018. This framework's key domains guide the establishment and continuous improvement of processes to identify, assess, and manage cyber risks and threats. The Company's controls are routinely monitored by its Security Operations Center. Its cybersecurity program, security posture, incident response, and security awareness training are tested by an external party to evaluate their effectiveness and maturity rating.

The Company maintains a comprehensive cybersecurity risk management program designed to identify, assess, manage, and mitigate cybersecurity risks. This program provides a framework for addressing threats and incidents, including those associated with third-party service providers. To secure its technology environment, the Company leverages the latest software and security capabilities, employing a defense-in-depth and layered strategy. This includes deploying next-gen endpoint detection and response, network anomaly detection, and multi-factor authentication across most of its environment. Additionally, the Company engages with third-party consultants and utilizes threat intelligence services to assist in its oversight and risk identification efforts. Furthermore, all employees and consultants with access to the Company's information systems are required to complete annual data protection and cybersecurity training, as well as ongoing phishing simulation exercises, as part of a broader training. Based on the information known as of the date of this Annual Report on Form 10-K, the Company does not believe that any cybersecurity incident experienced has materially affected or is reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition. For additional information about cybersecurity risks, see Item 1A. “Risk Factors.”

Governance

The Board of Directors is responsible for the overall oversight of the Company's enterprise risk management. The Board of Directors has delegated oversight of cybersecurity risks to the Technology, Data and Supply Chain Committee. The Technology, Data and Supply Chain Committee receives quarterly cybersecurity updates from the Company’s Chief Information Officer (CIO) and Chief Information Security Officer (CISO), which include updates on the Company’s cybersecurity policies and strategies, cyber risk posture, improvements and threats, the status of projects designed to continuously improve the Company’s information security systems, assessments of the Company’s security program, employee training and awareness programs, emerging threat landscape and engagement with external cybersecurity experts and advisors, as needed.

Management’s Role

Management is responsible for day-to-day risk management activities, including identifying and assessing cybersecurity risks, establishing processes to ensure that potential cybersecurity risk exposures are monitored, implementing appropriate mitigation or remediation measures and maintaining cybersecurity programs. Risk mitigation strategies and key performance indicators are defined, and tracked, as part of the quarterly internal reporting. The Information Security & Compliance team consists of subject matter experts in the field on Information Security, Risk Management, Compliance and Data Protection. The Information Security & Compliance team monitor the prevention, detection, mitigation, and remediation of cybersecurity incidents through a variety of technical and operational measures, and regularly report to the CISO. The CISO is part of the senior management team and regularly updates the Technology, Data and Supply Chain Committee on the Company’s cybersecurity program, including cybersecurity risks, incidents, and mitigation strategies.

The Information Security & Compliance team is led by the Executive Director, Information Security and Compliance, who has 29 years of experience in IT and Security, including business risk management and cybersecurity, and reports to the Chief Information Security Officer (CISO), who has over 28 years in information technology and security roles. The Information Security & Compliance team has established processes and procedures that guide and enable continuous monitoring, detection, prevention, mitigation, and remediation of cybersecurity incidents. These processes

are carried out using various security platforms tools, capabilities and strategies including tests of the Company's information security program, tabletop exercises, penetration and vulnerability testing, disaster recovery (DR) simulations, and other exercises to evaluate the effectiveness of the information security program and improve the security measures and planning. The Incident Response team utilizes procedures that identify escalation paths when security events are identified. Incident priorities dictate the escalation of events and how an Incident manager reports them to the executive leadership team within the Company and to the Board of Directors.

Cybersecurity risks remain a persistent challenge, as the threat landscape continues to evolve alongside technological advancements. While diligent efforts are made, complete risk elimination or incident assurances are not feasible.

Item 2 | Properties

As of May 31, 2026, the Company operated the following facilities:

Location	Primary Purpose	Owned Square Footage	Leased Square Footage
Metropolitan NY Area	Principal offices	—	230,000
U.S. Various Locations [1]	Book Fairs warehouses	—	2,302,000
Jefferson City, MO Area	Primary warehouse and distribution facility	—	1,414,000
International [2]	Warehouse and office space	236,000	916,000

[1] Consists of approximately 40 book fairs warehouses.

[2] Consists of approximately 60 facilities in Canada, the United Kingdom, Ireland, Australia, New Zealand and Asia. The owned facilities are located in the United Kingdom and Australia.

In fiscal 2026, the Company completed the sale of its headquarters location at 555-557 Broadway in New York, NY (SoHo) and its primary distribution facility in Jefferson City, Missouri. Concurrent with these sales, the Company entered into a 15-year lease for a portion of its headquarters building ("SoHo lease") and a 20-year lease for the distribution facility ("Jefferson City lease"), both with two 10-year renewal options. Refer to Note 4, "Sale and Leaseback Transactions," of Notes to Consolidated Financial Statements in Item 8, “Consolidated Financial Statements and Supplementary Data” for further details.

The Company considers its properties adequate for its current needs. With respect to the Company’s leased properties, no difficulties are anticipated in negotiating renewals as leases expire or in finding other satisfactory space, if current premises become unavailable. For further information concerning the Company’s obligations under its leases, see Note 1, "Description of the Business, Basis of Presentation and Summary of Significant Accounting Policies," and Note 11, "Leases," of Notes to Consolidated Financial Statements in Item 8, “Consolidated Financial Statements and Supplementary Data.”

Item 3 | Legal Proceedings

Various claims and lawsuits arising in the normal course of business are pending against the Company. The Company accrues a liability for such matters when it is probable that a liability has occurred and the amount of such liability can be reasonably estimated. When only a range can be estimated, the most probable amount in the range is accrued unless no amount within the range is a better estimate than any other amount, in which case the minimum amount in the range is accrued. Legal costs associated with litigation loss contingencies are expensed in the period in which they are incurred. The Company does not expect, in the case of those claims and lawsuits where a loss is considered probable or reasonably possible, after taking into account any amounts currently accrued, that the reasonably possible losses from such claims and lawsuits would have a material adverse effect on the Company’s consolidated financial position or results of operations. See Note 7, "Commitments and Contingencies," of Notes to the Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further discussion.

Item 4 | Mine Safety Disclosures

Not Applicable.

Part II

Item 5 | Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information: Scholastic Corporation's Common Stock, par value $0.01 per share (the "Common Stock"), is traded on the NASDAQ Global Select Market (the "NASDAQ") under the symbol SCHL. Scholastic Corporation's Class A Stock, par value $0.01 per share (the "Class A Stock"), is convertible, at any time, into Common Stock on a share-for-share basis. There is no public trading market for the Class A Stock.

Holders: The number of holders of record of Class A Stock and Common Stock as of July 21, 2026 were 3 and 168, respectively.

Dividends: On a quarterly basis, the Board of Directors considers the payment of cash dividends based upon its review of Company earnings, cash position and other relevant factors. On July 22, 2026, the Company announced its regular cash dividend of $0.25 per Class A and Common share in respect of the first quarter of fiscal 2027, representing a 25% increase from the previous dividend of $0.20 per share. The dividend is payable on September 15, 2026 to shareholders of record as of the close of business on August 31, 2026. All dividends have been in compliance with the Company's debt covenants.

Share Purchases: During fiscal 2026, the Company repurchased 7,336,966 of Common Stock, consisting of 4,502,948 acquired through open market purchases at an average price of $35.96 per share and 2,834,018 acquired through a modified Dutch auction tender offer at price of $40.00 per share. The aggregate cost of share repurchases was $268.6 million, including related fees and expenses and $2.4 million of excise tax. See Note 16, "Treasury Stock," of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further details regarding the modified Dutch auction tender offer. During fiscal 2025, the Company repurchased 3,482,280 of Common Stock at an average price of $20.10 per share for an aggregate cost of $70.9 million, inclusive of fees and excise tax. As of May 31, 2026, approximately $183.0 million remains available for future purchases of Common Stock, which represents the amount remaining under the current $297.0 million Board authorization for Common share repurchases announced on March 18, 2026, which is available for further repurchases, from time to time as conditions allow, on the open market or through negotiated private transactions.

The following table provides information with respect to repurchases of shares of Common Stock by the Corporation during the three months ended May 31, 2026:

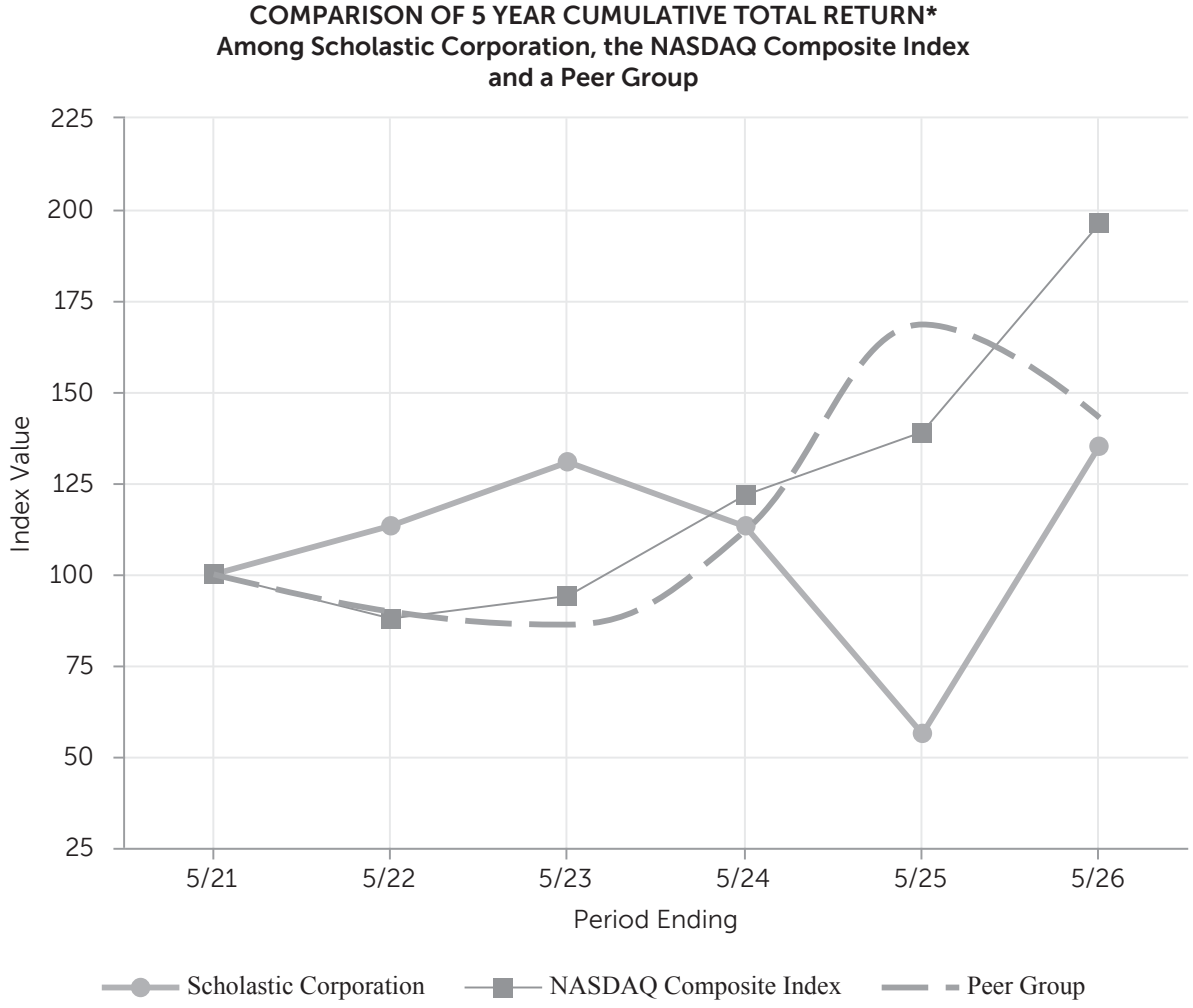
Date	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares (or approximate dollar value in millions) that may yet be purchased under the plans or programs (i)
March 1, 2026 through March 31, 2026	471,309	$ 34.87	471,309	$ 300.0
April 1, 2026 through April 30, 2026 [ii]	2,834,018	$ 40.00	2,834,018	186.6
May 1, 2026 through May 31, 2026	92,062	$ 39.17	92,062	183.0
Total	**3,397,389**		**3,397,389**	**$ 183.0**

(i) Total represents the amount remaining under the current $297.0 million Board authorization for Common share repurchases announced on March 18, 2026, which is available for further repurchases, from time to time as conditions allow, on the open market or through negotiated private transactions.

(ii) Represents shares of Common Stock repurchased pursuant to a modified Dutch auction tender offer.

Stock Price Performance Graph

The graph below matches the Corporation's cumulative 5-year total shareholder return on Common Stock with the cumulative total returns of the NASDAQ Composite index and a customized peer group of three companies that includes Pearson PLC, John Wiley & Sons Inc. and Stride, Inc. The graph tracks the performance of a $100 investment in the Corporation's Common Stock, in the index and in the peer group (with the reinvestment of all dividends) from June 1, 2021 to May 31, 2026.



***$100 invested on 5/31/21 in stock or index, including reinvestment of dividends**

	Fiscal year ending May 31,					
	2021	2022	2023	2024	2025	2026
Scholastic Corporation	$ 100.00	$ 113.31	$ 130.75	$ 113.12	$ 56.23	$ 135.25
NASDAQ Composite Index	100.00	87.87	94.08	121.72	139.02	196.18
Peer Group	100.00	89.78	86.20	111.95	168.49	142.90

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Item 6 | [Reserved]

Item 7 | Management's Discussion and Analysis of Financial Condition and Results of Operations

General

The Company categorizes its businesses into four reportable segments: *Children's Book Publishing and Distribution*; *Education*; *Entertainment*; and *International*.

The following discussion and analysis of the Company's financial position and results of operations should be read in conjunction with the Company's Consolidated Financial Statements and the related Notes included in Item 8, "Consolidated Financial Statements and Supplementary Data."

Overview and Outlook

Overview
Revenues from operations for the fiscal year ended May 31, 2026 decreased by $43.6 million, or 2.7%, to $1,581.9 million, compared to $1,625.5 million in the prior fiscal year. The Company reported net income per basic and diluted share of Class A and Common Stock of $2.39 and $2.34, respectively, for the fiscal year ended May 31, 2026, compared to net loss per basic and diluted share of Class A and Common Stock of $0.07 and $0.07, respectively, in the prior fiscal year.

Fiscal 2026 reflected the continued execution of the Company's multi-year transformation strategy, focused on strengthening its organizational structure, enhancing operating efficiency, optimizing its portfolio, and improving capital allocation. Growth in Book Fairs, driven by increases in both fair count and revenue per fair, as well as higher *Entertainment* revenues, substantially offset declines in trade channel revenues resulting from the challenging prior-year publishing comparisons and lower *Education* revenues attributable to the continued funding volatility. Despite the overall decline in revenues, operating income remained relatively consistent with the prior year as the Company continued to execute disciplined cost management initiatives and realize operational efficiencies. Additionally, following the completion of the sale-leaseback transactions, the Company returned more than $285 million of capital to shareholders through share repurchases, including a modified Dutch auction tender offer, and the payment of cash dividends.

Outlook
Looking ahead to fiscal 2027, the Company intends to focus its School Reading Events business on increasing fair count, while further simplifying the Book Clubs program and improving execution to enhance engagement with teachers and families. The Company also expects to benefit from a strong global publishing pipeline, including the release of the next title in the best-selling *Dog Man* series in November and new publishing related to the new Harry Potter series on HBO, as well as new titles in *The Baby-Sitters Club, Wings of Fire*, and *I Survived* franchises. In addition, a new *Clifford the Big Red Dog* animated series is expected to premiere on PBS KIDS in 2027. Within *Education*, school and district funding conditions are expected to remain volatile, particularly in supplemental curriculum. The Company intends to build on its core literacy strengths to position the business for a return to growth as its strategy advances and market conditions stabilize. Overall, the Company remains focused on executing its strategic priorities, maintaining disciplined cost management, and making targeted investments in areas with the greatest potential to drive long-term growth, strengthen engagement with children, families, and educators, and enhance shareholder value.

Critical Accounting Policies and Estimates

General:

The Company's discussion and analysis of its financial condition and results of operations is based upon its Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements involves the use of estimates and assumptions by management, which affects the amounts reported in the Consolidated Financial Statements and accompanying notes. The Company bases its estimates on historical experience, current business factors, future expectations and various other assumptions believed to be reasonable under the circumstances, all of which are necessary in order to form a basis for determining the carrying values of assets and liabilities. Actual results may differ from those estimates and assumptions. On an ongoing basis, the Company evaluates the adequacy of its reserves and the estimates used in calculations, including, but not limited to: accounts receivable allowance for credit losses; variable consideration related to anticipated returns; allocation of transaction price to contractual performance obligations; pension and other postretirement obligations; inventory reserves; deferred income taxes and tax reserves; the timing and amount of future income taxes and related deductions; uncertain tax positions; expected economic life and recoverability of investment in film and television programs and prepublication costs; royalty advance reserves and royalty expense accruals; the impairment assessment of goodwill intangibles and other long-lived assets; and the incremental borrowing rate used to determine the present value of future lease payments and related lease liabilities. For a complete description of the Company's significant accounting policies, see Note 1, "Description of Business, Basis of Presentation and Summary of Significant Accounting Policies," of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data." The following policies and account descriptions include all those identified by the Company as critical to its business operations and the understanding of its results of operations:

Revenue recognition:

The Company has identified the allocation of the transaction price to contractual performance obligations related to revenues within the school-based book fairs channel, as described below, as a critical accounting estimate.

Revenues associated with school-based book fairs relate to the sale of children's books and other products to book fair sponsors. In addition, the Company employs an incentive program to encourage the sponsorship of book fairs and increase the number of fairs held each school year. The Company identifies two potential performance obligations within its school-based book fair contracts, which include the fulfillment of book fairs product and the fulfillment of product upon the redemption of incentive program credits by customers. The Company allocates the transaction price to each performance obligation and recognizes revenue at a point in time. The Company utilizes certain estimates based on historical experience, redemption patterns and future expectations related to the participation in the incentive program to determine the relative fair value of each performance obligation when allocating the transaction price. Changes in these estimates could impact the timing of the recognition of revenue. Revenue allocated to the book fairs product is recognized at the point at which product is delivered to the customer and control is transferred. The revenue allocated to the incentive program credits is recognized upon redemption of incentive credits and the transfer of control of the redeemed product. Incentive credits are generally redeemed within 12 months of issuance. Payment for school-based book fairs product is due at the completion of a customer's fair. Revenues associated with virtual fairs are recognized upon shipment of the products and related incentive program credits are expensed upon issuance.

Estimated returns:

For sales that include a right of return, the Company estimates the transaction price and records revenues as variable consideration based on the amounts the Company expects to ultimately be entitled. In order to determine estimated returns, the Company utilizes historical return rates, sales patterns, types of products and expectations and recognizes a corresponding reduction to Revenues and Cost of goods sold. Management also considers patterns of sales and returns in the months preceding the fiscal year, as well as actual returns received subsequent to the fiscal year, available customer and market specific data and other return rate information that management believes is relevant. In addition, a refund liability is recorded within Other accrued expenses for the consideration to which the Company believes it will not ultimately be entitled and a return asset is recorded within Prepaid expenses and other current assets for the expected inventory to be returned. Actual returns could differ from the Company's estimate. A one percentage point change in the estimated reserve for returns rate would have resulted in an increase or decrease in operating income for the year ended May 31, 2026 of approximately $5.1 million.

Inventories:

Inventories, consisting principally of books, are stated at the lower of cost, using the first-in, first-out method, or net realizable value. The Company records a reserve for excess and obsolete inventory based upon a calculation using the expected future sales of existing inventory driven by estimates around forecasted purchases, inventory consumption costs, and the sell-through rate of current fiscal year purchases. In accordance with the Company's inventory retention policy, expected future sales of existing inventory are compared against historical usage by channel for reasonableness and any specifically identified excess or obsolete inventory, due to an anticipated lack of demand, will also be reserved. The impact of a one percentage point change in the obsolescence reserve rate would have resulted in an increase or decrease in operating income for the year ended May 31, 2026 of approximately $3.5 million.

Royalty advances:

Royalty advances are initially capitalized and subsequently expensed as related revenues are earned or when the Company determines future recovery through earndowns is not probable. The Company has a long history of providing authors, illustrators, licensors and other publishers with royalty advances, and it tracks each advance earned with respect to the sale of the related publication. Historically, the longer the unearned portion of the advance remains outstanding, the less likely it is that the Company will recover the advance through the sale of the publication, as the related royalties earned are applied first against the remaining unearned portion of the advance. The Company applies this historical experience to its existing outstanding royalty advances to estimate the likelihood of recovery. Additionally, the Company's editorial staff regularly reviews its portfolio of royalty advances to determine if individual royalty advances are not recoverable through earndowns for discrete reasons, such as the death of an author prior to completion of a title or titles, a Company decision to not publish a title, poor market demand or other relevant factors that could impact recoverability.

Evaluation of Goodwill impairment:

Goodwill is not amortized and is reviewed for impairment annually or more frequently if impairment indicators arise.

The Company compares the estimated fair values of its identified reporting units to the carrying values of their net assets. The Company first performs a qualitative assessment to determine whether it is more likely than not that the fair values of its identified reporting units are less than their carrying values. If it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company performs the quantitative goodwill impairment test. The Company measures goodwill impairment by the amount the carrying value exceeds the fair value of a reporting unit. For each of the reporting units, the estimated fair value is determined utilizing the expected present value of the projected future cash flows of the reporting unit, in addition to comparisons to similar companies. The Company reviews its definition of reporting units annually or more frequently if conditions indicate that the reporting units may change. The Company evaluates its operating segments to determine if there are components one level below the operating segment level. A component is present if discrete financial information is available and segment management regularly reviews the operating results of the business. If an operating segment only contains a single component, that component is determined to be a reporting unit for goodwill impairment testing purposes. If an operating segment contains multiple components, the Company evaluates the economic characteristics of these components. Any components within an operating segment that share similar economic characteristics are aggregated and deemed to be a reporting unit for goodwill impairment testing purposes. Components within the same operating segment that do not share similar economic characteristics are deemed to be individual reporting units for goodwill impairment testing purposes.

The Company has seven reporting units with goodwill subject to impairment testing. The determination of the fair value of the Company's reporting units involves a number of assumptions, including the estimates of future cash flows, discount rates and market-based multiples, among others, each of which is subject to change. Accordingly, it is possible that changes in assumptions and the performance of certain reporting units could lead to impairments in future periods, which may be material.

Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, for purposes of determining taxable income, deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of such assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to be realized.

The Company believes that its taxable earnings, during the periods when the temporary differences giving rise to deferred tax assets become deductible or when tax benefit carryforwards may be utilized, should be sufficient to realize the related future income tax benefits. For those jurisdictions where the expiration date of the tax benefit carryforwards or the projected taxable earnings indicate that realization is not likely, the Company establishes a valuation allowance.

In assessing the need for a valuation allowance, the Company estimates future taxable earnings, with consideration for the feasibility of ongoing tax planning strategies and the realizability of tax benefit carryforwards, to determine which deferred tax assets are more likely than not to be realized in the future. Valuation allowances related to deferred tax assets can be impacted by changes to tax laws, changes to statutory tax rates and future taxable earnings. In the event that actual results differ from these estimates in future periods, the Company may need to adjust the valuation allowance.

Results of Operations - Consolidated

(Amounts in millions, except per share data)
For fiscal years ended May 31,

	2026		2025	
	$	% [1]	$	% [1]
Revenues:				
Children's Book Publishing and Distribution	$ 964.2	61.0	$ 963.9	59.3
Education	267.6	16.9	309.8	19.1
Entertainment	65.7	4.2	61.0	3.8
International	277.2	17.5	279.6	17.2
Other [2]	7.2	0.4	11.2	0.6
Total revenues	1,581.9	100.0	1,625.5	100.0
Cost of goods sold	689.8	43.6	718.8	44.2
Selling, general and administrative expenses	807.2	51.0	822.3	50.6
Depreciation and amortization	58.8	3.7	65.7	4.0
Asset impairments and write downs	10.9	0.7	2.9	0.2
Operating income (loss)	15.2	1.0	15.8	1.0
Interest income	2.9	0.2	2.2	0.1
Interest expense	(14.1)	(0.9)	(18.2)	(1.1)
Other components of net periodic benefit (cost)	(1.3)	(0.1)	(1.1)	(0.1)
Loss on sale of investments	(17.2)	(1.1)	—	—
Gain on sale and leaseback transactions	99.7	6.3	—	—
Earnings (loss) before income taxes	85.2	5.4	(1.3)	(0.1)
Provision (benefit) for income taxes	28.5	1.8	0.6	0.0
Net income (loss)	$ 56.7	3.6	$ (1.9)	(0.1)
Basic and diluted earnings (loss) per share of Class A and Common Stock				
Basic	$ 2.39		$ (0.07)	
Diluted	$ 2.34		$ (0.07)	

(1) Represents percentage of total revenues.

(2) Represents rental income related to leased space in the Company's headquarters which was not allocated to a segment. As a result of the sale and leaseback transactions completed during the third quarter of fiscal 2026, the Company no longer owns the underlying leasable space. Refer to Note 4, "Sale and Leaseback Transactions", and Note 11, "Leases", of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further details.

Results of Operations – Consolidated

The section below is a discussion of the Company's fiscal year 2026 results compared to fiscal year 2025. A discussion of the Company's fiscal year 2025 results compared to fiscal year 2024 is not included in this Form 10-K and can be found in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the year ended May 31, 2025, filed as part of the Company's Form 10-K dated July 25, 2025.

Fiscal 2026 compared to fiscal 2025

Revenues from operations for the fiscal year ended May 31, 2026 decreased by $43.6 million, or 3%, to $1,581.9 million, compared to $1,625.5 million in the prior fiscal year.

Children's Book Publishing and Distribution segment revenues were consistent with the prior fiscal year, increasing by $0.3 million. Increased revenues from School Reading Events, primarily driven by higher fair count, were substantially offset by lower trade channel revenues, as the prior year benefited from increased sales related to the release of Suzanne Collins' *Sunrise on the Reaping*, as well as lower book clubs channel revenues due to reduced sponsor participation.

Education segment revenues decreased by $42.2 million, primarily driven by lower sales of supplemental curriculum products due to the continued challenging funding environment for schools and school districts, coupled with lower subscription revenues from Magazines+ and lower revenues from sponsored programs.

Entertainment segment revenues increased by $4.7 million, reflecting increased revenues from production services.

International segment revenues decreased by $2.4 million, primarily driven by lower trade channel revenues in Canada and the U.K., partially offset by increased trade and education sales in Asia and higher trade channel revenues in Australia, as well as favorable foreign currency exchange of $6.3 million.

Rental income, included in the *Overhead* segment, decreased by $4.0 million compared to the prior fiscal year, primarily as a result of the sale-leaseback of the Company's headquarters in New York City in fiscal 2026, after which the Company no longer owned the underlying leasable space.

Components of Cost of goods sold for fiscal years 2026 and 2025 are as follows:

($ amounts in millions)

	2026	% of revenue	2025	% of revenue
Product, service and production costs and inventory reserves	$ 395.2	25.0 %	$ 419.1	25.8 %
Royalty costs	120.2	7.6	129.4	8.0
Prepublication and production amortization	33.5	2.1	31.9	2.0
Postage, freight, shipping, fulfillment and all other costs	140.9	8.9	138.4	8.4
Total cost of goods sold	**$ 689.8**	**43.6 %**	**$ 718.8**	**44.2 %**

Cost of goods sold as a percentage of revenues for the fiscal year ended May 31, 2026 was 43.6%, compared to 44.2% in the prior fiscal year. The decrease was primarily driven by lower product costs in the *Education* and *International* segments, reflecting the mix of products sold during the year ended May 31, 2026, as well as lower royalty costs in the U.S. trade channel due to a shift in sales mix toward titles with lower royalty rates. In addition, Cost of goods sold was favorably impacted by tariff mitigation actions and tariff refunds received during fiscal 2026. These improvements were partially offset by higher shipping and postage costs associated with sponsored programs in *Education* and higher fulfillment costs in Canada.

Selling, general and administrative expenses for the fiscal year ended May 31, 2026 were $807.2 million, compared to $822.3 million in the prior fiscal year. The $15.1 million decrease was primarily attributable to lower employee-related and external labor costs resulting from the Company's prior reorganization efforts and cost-saving initiatives, as well as reduced spending on general overhead expenses. These decreases were partially offset by higher severance expense of $4.6 million related to cost-saving initiatives in the year ended May 31, 2026 and higher rent expense of $8.4 million resulting from the sale and leaseback of the Company's New York City headquarters. The Company expects rental expense to increase in fiscal 2027 compared to fiscal 2026, primarily due to the recognition of a full year of expense associated with the Company's leased headquarters and primary distribution facilities.

Depreciation and amortization expenses for the fiscal year ended May 31, 2026 were $58.8 million, compared to $65.7 million in the prior fiscal year. The $6.9 million decrease was primarily attributable to the sale of the Company's headquarters in New York City and distribution center in Jefferson City, Missouri during fiscal 2026.

Asset impairments and write downs for the fiscal year ended May 31, 2026 were $10.9 million, compared to $2.9 million in the prior year. In fiscal 2026, the Company recognized impairments of $4.3 million related to certain products within the *Education* segment and $5.2 million within the Entertainment segment, primarily related to certain film and television programs in development. In addition, the Company recognized impairments of $1.4 million within the *Children's Book Publishing and Distribution* segment related to a product that is no longer being sold and inventory destroyed in a warehouse fire. In fiscal 2025, the Company recognized impairments of $1.2 million related to certain digital products in *Children's Book Publishing and Distribution* and *Education*, $1.1 million related to certain inventory and other assets in Asia, and $0.6 million related to the early exit of leased office space in the U.S., Canada and Ireland.

Interest income for the fiscal year ended May 31, 2026 was $2.9 million, compared to $2.2 million in the prior fiscal year. The increase was attributable to higher average short term investment balances during the year ended May 31, 2026, primarily reflecting the net proceeds received from the sale and leaseback transactions. The Company invests excess cash in short term investments that earn competitive interest rates, which generally move in line with changes in the Federal Funds rate.

Interest expense for the fiscal year ended May 31, 2026 was $14.1 million, compared to $18.2 million in the prior fiscal year. The decrease was due to repayments of borrowings under the U.S. Credit Agreement during the year ended May 31, 2026.

Loss on sale of investments for the fiscal year ended May 31, 2026 was $17.2 million. During fiscal 2026, the Company sold its 26.2% equity interest in a U.K.-based children's book publishing business, resulting in the loss.

Gain on sale and leaseback transactions for fiscal year ended May 31, 2026 was $99.7 million. During fiscal 2026, the Company completed sale and leaseback transactions related to its headquarters in New York City and primary distribution center in Jefferson City, Missouri, resulting in a pre-tax gain of $99.7 million.

The Company's effective tax rate for the fiscal year ended May 31, 2026 was 33.4%, compared to 46.2% in the prior fiscal year. The Company's effective tax rate differed from the statutory rate primarily due to higher state and local income taxes attributable to the tax gain on the sale-leaseback transactions and non-deductible compensation for covered executive employees.

Net income for fiscal 2026 was $56.7 million compared to net loss of $1.9 million in fiscal 2025, an improvement of $58.6 million. The basic and diluted earnings per share of Class A Stock and Common Stock was $2.39 and $2.34, respectively, in fiscal 2026, compared to basic and diluted loss per share of Class A Stock and Common Stock of $0.07 and $0.07, respectively, in fiscal 2025. Outstanding shares decreased 25% from 25.0 million to 18.7 million as of May 31, 2026 which is expected to benefit earnings per share calculations in fiscal 2027.

Results of Operations – Segments

CHILDREN'S BOOK PUBLISHING AND DISTRIBUTION

($ amounts in millions)			**2026 compared to 2025**	
	2026	**2025**	**$ change**	**% change**
Revenues	$ 964.2	$ 963.9	$ 0.3	0.0 %
Cost of goods sold	393.5	410.2	(16.7)	(4.1)
Other operating expenses *	426.4	422.4	4.0	0.9
Asset impairments and write downs	1.4	0.6	0.8	133.3
Operating income (loss)	$ 142.9	$ 130.7	$ 12.2	9.3 %
Operating margin	**14.8 %**	**13.6 %**		

* Other operating expenses include selling, general and administrative expenses and depreciation and amortization.

Fiscal 2026 compared to fiscal 2025

Revenues for the fiscal year ended May 31, 2026 increased by $0.3 million to $964.2 million, compared to $963.9 million in the prior fiscal year. Higher revenues from School Reading Events of $20.6 million were substantially offset by a $20.3 million decrease in trade channel revenues. Within School Reading Events, book fairs channel revenues increased by $27.7 million, primarily driven by higher fair count as well as higher revenue per fair and increased redemptions of book fair incentive program credits. This increase was partially offset by lower book clubs channel revenues of $7.1 million primarily due to lower sponsor participation. Within the trade channel, the year-over-year revenue decline was attributable to elevated sales in the prior fiscal year following the release of *Sunrise on the Reaping* by Suzanne Collins. This decline was partially offset by higher sales of backlist titles from *The Hunger Games* and other bestselling series.

Cost of goods sold for the fiscal year ended May 31, 2026 was $393.5 million, or 40.8% of revenues, compared to $410.2 million, or 42.6% of revenues, in the prior fiscal year. The decrease in Cost of goods sold as a percentage of revenues was primarily attributable to lower royalty costs in the trade channel, driven by a shift in sales mix toward titles with lower royalty rates during the fiscal year ended May 31, 2026. In addition, Cost of goods sold was favorably impacted by improved inventory utilization in the book clubs channel, resulting in lower excess and obsolete inventory, as well as tariff mitigation actions and tariff refunds received during fiscal 2026.

Other operating expenses were $426.4 million for the fiscal year ended May 31, 2026, compared to $422.4 million in the prior fiscal year. The $4.0 million increase in Other operating expenses was primarily due to inflationary pressures on employee-related and general expenses, largely within the book fairs channel. The Company expects Other operating expenses to increase in fiscal 2027 compared to fiscal 2026, primarily due to the recognition of a full year of rental expense associated with the Company's leased headquarters and primary distribution facilities.

Asset impairments were $1.4 million for the fiscal year ended May 31, 2026, compared to $0.6 million in the prior fiscal year. In fiscal 2026, the Company recognized asset impairments of $0.8 million related to a certain product that is no longer being sold and $0.6 million related to inventory destroyed in a warehouse fire. In fiscal 2025, the Company recognized an asset impairment of $0.6 million related to certain digital products. Refer to Note 5, "Asset Write Down," of Notes to the Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further details.

Segment operating income for the fiscal year ended May 31, 2026 was $142.9 million, compared to $130.7 million in the prior fiscal year. The $12.2 million increase in operating income was primarily attributable to favorable cost of goods sold, driven by lower royalty costs in the trade channel as well as improved inventory utilization in the book clubs channel, which resulted in lower excess and obsolete inventory. This was partially offset by higher employee-related and general expenses in the book fairs channel due to inflationary pressures.

EDUCATION

($ amounts in millions)			2026 compared to 2025	
	2026	**2025**	**$ change**	**% change**
Revenues	$ 267.6	$ 309.8	$ (42.2)	(13.6)%
Cost of goods sold	104.1	122.8	(18.7)	(15.2)
Other operating expenses *	163.3	180.1	(16.8)	(9.3)
Asset impairments	4.3	0.6	3.7	NM
Operating income (loss)	$ (4.1)	$ 6.3	$ (10.4)	NM
Operating margin	**NM**	**2.0 %**		

* Other operating expenses include selling, general and administrative expenses and depreciation and amortization.
NM Not meaningful

Fiscal 2026 compared to fiscal 2025

Revenues for the fiscal year ended May 31, 2026 decreased by $42.2 million to $267.6 million, compared to $309.8 million in the prior fiscal year. The decrease in segment revenues was primarily driven by lower sales of supplemental curriculum products due to the continued challenging funding environment for schools and school districts, coupled with lower subscription revenues from Magazines+ and lower revenues from sponsored programs.

Cost of goods sold for the fiscal year ended May 31, 2026 was $104.1 million, or 38.9% of revenues, compared to $122.8 million, or 39.6% of revenues, in the prior fiscal year. Cost of goods sold as a percentage of revenues benefited from lower product costs driven by the mix of products sold during the year ended May 31, 2026, combined with improved inventory utilization, resulting in lower excess and obsolete inventory. These benefits were partially offset by higher shipping and postage costs associated with sponsored programs.

Other operating expenses were $163.3 million for the fiscal year ended May 31, 2026, compared to $180.1 million in the prior fiscal year. The $16.8 million decrease in Other operating expenses was primarily attributable to lower employee-related and external labor costs, as well as reduced general overhead spending.

Asset impairments were $4.3 million for the fiscal year ended May 31, 2026, compared to $0.6 million in the prior fiscal year. In fiscal 2026, the Company recognized asset impairments of $4.3 million related to certain education products that were no longer being sold or developed. In fiscal 2025, the Company recognized asset impairments of $0.6 million related to certain digital products that were no longer being sold. Refer to Note 5, "Asset Write Down," of Notes to the Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further details.

Segment operating loss for the fiscal year ended May 31, 2026 was $4.1 million, compared to operating income of $6.3 million in the prior fiscal year. The overall decline of $10.4 million was driven by lower revenues, primarily reflecting the continued challenging funding environment for schools and school districts, as well as asset impairment charges recognized during the year ended May 31, 2026. This decline was partially offset by lower employee-related and external labor costs, as well as reduced general overhead spending.

ENTERTAINMENT

($ amounts in millions)					2026 compared to 2025	
	2026		2025		$ change	% change
Revenues	$	65.7	$	61.0	$ 4.7	7.7 %
Cost of goods sold		37.9		33.4	4.5	13.5
Other operating expenses *		38.7		39.2	(0.5)	(1.3)
Asset impairments and write downs		5.2		0.5	4.7	NM
Operating income (loss)	$	(16.1)	$	(12.1)	$ (4.0)	(33.1)%
Operating margin		**NM**		**NM**		

* Other operating expenses include selling, general and administrative expenses and depreciation and amortization.
NM Not meaningful

The *Entertainment* segment includes the operations of 9 Story, as acquired on June 20, 2024, and Scholastic Entertainment Inc. ("SEI"). Refer to Note 12, "Acquisitions," of Notes to the Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further details regarding the acquisition of 9 Story.

Revenues for the fiscal year ended May 31, 2026 increased by $4.7 million to $65.7 million, compared to $61.0 million in the prior fiscal year period. The increase in segment revenues was primarily driven by higher revenues from production services.

Cost of goods sold for the fiscal year ended May 31, 2026 was $37.9 million, or 57.7% of revenues, compared to $33.4 million, or 54.8% of revenues, in the prior fiscal year. The increase was primarily driven by the revenue mix, with an increase in production services revenue, which generally carries higher associated costs.

Other operating expenses for the fiscal year ended May 31, 2026 were $38.7 million, compared to $39.2 million in the prior fiscal year. The $0.5 million decrease in Other operating expenses was primarily attributable to lower severance expense from cost-saving initiatives and the absence of acquisition-related costs incurred in the prior fiscal year in connection with the acquisition of 9 Story. These decreases were partially offset by increased employee-related costs.

Asset impairments and write downs for the fiscal year ended May 31, 2026 were $5.2 million, compared to $0.5 million in the prior fiscal year. During fiscal 2026, the Company recognized asset impairments of $4.9 million related to certain film and television programs in development and $0.3 million related to its ownership interest in a children's book publishing business located in the UK. During fiscal 2025, the Company early exited certain leased office space as a result of which the Company recognized an impairment expense of $0.5 million, primarily related to the right-of-use asset associated with the operating leases. Refer to Note 5, "Asset Write Down," of Notes to the Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further details.

Segment operating loss for the fiscal year ended May 31, 2026 was $16.1 million compared to $12.1 million in the prior fiscal year. The $4.0 million increase in operating loss was primarily attributable to asset impairment charges recognized during the year ended May 31, 2026.

INTERNATIONAL

($ amounts in millions)				2026 compared to 2025	
	2026	2025	$ change	% change	
Revenues	$ 277.2	$ 279.6	$ (2.4)	(0.9)%	
Cost of goods sold	155.0	159.3	(4.3)	(2.7)	
Other operating expenses *	115.8	120.2	(4.4)	(3.7)	
Asset impairments and write downs	—	1.1	(1.1)	NM	
Operating income (loss)	$ 6.4	$ (1.0)	$ 7.4	NM	
Operating margin	**2.3 %**	**NM**			

* Other operating expenses include selling, general and administrative expenses and depreciation and amortization.
NM Not meaningful

Fiscal 2026 compared to fiscal 2025

Revenues for the fiscal year ended May 31, 2026 decreased by $2.4 million to $277.2 million compared to $279.6 million in the prior fiscal year. Local currency revenues in the Company's ongoing foreign operations decreased by $8.7 million, excluding a favorable foreign exchange impact of $6.3 million. In Canada, local currency revenues decreased by $6.2 million, primarily driven by lower trade, book clubs and education channel revenues. In the U.K., local currency revenues decreased by $5.0 million, primarily reflecting lower trade channel sales. The declines in trade channel revenues in both Canada and the U.K. were due, in part, to increased sales in the prior fiscal year associated with the release of Suzanne Collins' *Sunrise on the Reaping*. In Australia and New Zealand, local currency revenues decreased by $0.4 million, driven by lower education sales in New Zealand, which were largely offset by higher trade channel sales in Australia. Export channel sales also decreased by $0.5 million compared to the prior fiscal year. These declines were partially offset by a $3.4 million increase in local currency revenues in Asia, primarily driven by increased trade and education sales, including growth in India.

Cost of goods sold for the fiscal year ended May 31, 2026 was $155.0 million, or 55.9% of revenues, compared to $159.3 million, or 57.0% of revenues, in the prior fiscal year. Cost of goods sold as a percentage of revenues decreased primarily due to lower product costs driven by the mix of products sold in Australia, Canada and the U.K. during the year ended May 31, 2026, partially offset by higher fulfillment costs in Canada.

Other operating expenses were $115.8 million for the fiscal year ended May 31, 2026, compared to $120.2 million in the prior fiscal year. Other operating expenses decreased by $4.4 million, primarily due to lower employee-related costs in Asia, Canada, the U.K., and certain overhead functions resulting from operational efficiencies and prior cost-saving initiatives, including a $2.1 million decrease in severance expense related to such initiatives.

Asset impairments and write downs were $1.1 million for the fiscal years ended May 31, 2025. In fiscal 2025, the Company recognized an asset impairment of $1.1 million related to certain inventory and other assets that were not recoverable as a result of the reorganization in China.

Segment operating income for the fiscal year ended May 31, 2026 was $6.4 million, compared to an operating loss of $1.0 million in the prior fiscal year. The $7.4 million improvement was primarily driven by lower employee-related costs, including lower severance expense, primarily in Asia, resulting from operational efficiencies and prior cost-saving initiatives, as well as improved margins in Australia, reflecting lower product costs due to the mix of products sold in fiscal 2026. Operating income also benefited from the absence of asset impairment charges that were recognized in the prior fiscal year.

Overhead

Fiscal 2026 compared to fiscal 2025

Unallocated overhead expense for the fiscal year ended May 31, 2026 increased by $5.8 million to $113.9 million, compared to $108.1 million in the prior fiscal year. The increase was primarily attributable to the $7.2 million impact of

sale and leaseback transactions completed during the third quarter of fiscal 2026, which resulted in lower rental income and higher rent expense, partially offset by lower depreciation expense. In addition, the Company incurred $7.9 million of higher severance expense related to cost-savings initiatives, which was partially offset by lower employee-related costs resulting from reorganization efforts implemented in prior periods. The Company expects rental expense to increase in fiscal 2027 compared to fiscal 2026, primarily due to the recognition of a full year of expense associated with the Company's leased headquarters facility.

Liquidity and Capital Resources

Fiscal 2026 compared to fiscal 2025

Cash provided by operating activities was $50.9 million for the fiscal year ended May 31, 2026, compared to cash provided by operating activities of $124.2 million for the prior fiscal year, representing a decrease in cash provided by operating activities of $73.3 million. The decrease was primarily driven by higher net tax payments of $41.4 million, largely attributable to the gain recognized on the sale-leaseback transactions, as well as an additional contribution to the U.K. Pension Plan and higher severance and postage payments. In addition, the Company generated lower rental income from leasable space within its New York headquarters building, which was sold during fiscal 2026. These cash outflows were partially offset by lower royalty advance payments.

Cash provided by investing activities was $405.8 million for the fiscal year ended May 31, 2026, compared to cash used in investing activities of $252.9 million for the prior fiscal year, representing an increase in cash provided by investing activities of $658.7 million. This increase was primarily driven by $452.4 million of pre-tax net proceeds from sale and leaseback transactions related to the Company's New York City headquarters and Jefferson City, Missouri primary distribution center, as well as $19.4 million of net proceeds from the sale of the Company's 26.2% equity interest in a U.K.-based children’s book publishing business. The increase was also attributable to the absence of the $176.2 million cash outflow incurred in the prior fiscal year in connection with the acquisition of 9 Story, as well as lower capital and prepublication expenditures of $10.4 million.

Cash used in financing activities was $446.0 million for the fiscal year ended May 31, 2026, compared to cash provided by financing activities of $137.3 million for the prior fiscal year, representing an increase in cash used by financing activities of $583.3 million. This change was primarily attributable to net repayments of $175.0 million under the U.S. Credit Agreement during fiscal 2026, compared to net borrowings of $250.0 million in the prior fiscal year to fund the acquisition of 9 Story. In addition, the Company repurchased $265.9 million of common stock, compared to $70.0 million in the prior fiscal year, and made higher net repayments of film obligations of $17.3 million. These uses of cash were partially offset by $17.4 million of higher proceeds from stock option exercises.

Cash Position

The Company’s cash and cash equivalents totaled $134.9 million at May 31, 2026 and $124.0 million at May 31, 2025. Cash and cash equivalents held by the Company’s U.S. operations totaled $66.6 million at May 31, 2026 and $48.7 million at May 31, 2025.

The Company’s operating philosophy is to use cash provided by operating activities to create value by paying down debt, reinvesting in existing businesses and, from time to time, making acquisitions that will complement its portfolio of businesses or acquiring other strategic assets, as well as engaging in shareholder enhancement initiatives, such as share repurchases or dividend declarations. During fiscal 2026, the Company repurchased $150.6 million of its common stock through open-market transactions and $113.4 million through a modified Dutch tender offer, in each case excluding taxes and fees. See Note 16, "Treasury Stock," of Notes to the Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for further details. Under the Company's share repurchase program, $183.0 million remained available for future purchases of Common Stock as of May 31, 2026.

The Company has maintained, and expects to maintain for the foreseeable future, sufficient liquidity to fund ongoing operations, including working capital requirements, pension contributions, postretirement benefits, debt service, planned capital expenditures and other investments, as well as dividends and share repurchases. As of May 31, 2026, the Company’s primary sources of liquidity consisted of cash and cash equivalents of $134.9 million, cash from operations and the Company's U.S. Credit Agreement. The Company expects the U.S. Credit Agreement to provide it with an appropriate level of flexibility to strategically manage its business operations. The U.S. Credit Agreement has a borrowing limit of $400 million and a maturity date of November 26, 2029. See Note 6, "Debt," of Notes to the Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data" for more information regarding the U.S. Credit Agreement. As of May 31, 2026, the Company's U.S. Credit Agreement, less

borrowings of $75.0 million and commitments of $0.4 million, had $324.6 million of availability. Additionally, the Company has short-term credit facilities of $36.1 million, less current borrowings of $5.5 million and commitments of $5.0 million, resulting in $25.6 million of current availability under these facilities at May 31, 2026. Accordingly, the Company believes these sources of liquidity are sufficient to finance its currently anticipated ongoing operating needs, as well as its financing and investing activities.

The following table summarizes, as of May 31, 2026, the Company's contractual cash obligations by future period (see Notes 6, 7, 11 and 17 of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data"):

$ amounts in millions

	Payments Due By Period				
Contractual Obligations	**1 Year or Less**	**Years 2-3**	**Years 4-5**	**After Year 5**	**Total**
Minimum print quantities	$ 0.4	$ 1.0	$ 0.3	$ —	$ 1.7
Royalty advances	20.1	12.2	3.7	1.6	37.6
Lines of credit and short-term debt	5.5	—	—	—	5.5
Long-term debt	—	—	75.0	—	75.0
Film related obligations [1]	2.6	14.4	0.1	—	17.1
Finance leases [2]	3.9	5.9	4.6	2.8	17.2
Operating leases	49.4	90.0	72.4	335.5	547.3
Pension and postretirement plans	2.4	4.8	4.7	11.6	23.5
Total	**$ 84.3**	**$ 128.3**	**$ 160.8**	**$ 351.5**	**$ 724.9**

(1) Film related obligations are due on demand. Outstanding borrowings are presented by fiscal year maturity based on expected repayment dates per loan agreements.
(2) Includes principal and interest.

Financing

Loan Agreement

The Company is party to the U.S. Credit Agreement and certain credit lines with various banks, including those related to film related obligations. For a more complete description of the U.S. Credit Agreement, as well as the Company's other debt obligations, reference is made to Note 6, "Debt," of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data."

Acquisitions

In the ordinary course of business, the Company explores domestic and international expansion opportunities, including potential niche and strategic acquisitions. As part of this process, the Company engages with interested parties in discussions concerning possible transactions. The Company will continue to evaluate such expansion opportunities and prospects. See Note 12, "Acquisitions," of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data."

Item 7A | Quantitative and Qualitative Disclosures about Market Risk

The Company conducts its business in various foreign countries, and as such, its cash flows and earnings are subject to fluctuations from changes in foreign currency exchange rates. The Company sells products from its domestic operations to its foreign subsidiaries, creating additional currency risk. The Company manages its exposures to this market risk through internally established procedures and, when deemed appropriate, through the use of short-term forward exchange contracts which were not significant as of May 31, 2026. The Company does not enter into derivative transactions or use other financial instruments for trading or speculative purposes.

The Company is subject to the risk that market interest rates and its cost of borrowing will increase and thereby increase the interest charged under its variable-rate debt.

Additional information relating to the Company's derivative transactions and outstanding financial instruments is included in Note 21, "Derivatives and Hedging," and Note 6, "Debt," respectively, of Notes to Consolidated Financial Statements in Item 8, "Consolidated Financial Statements and Supplementary Data," which is included herein.

The following table sets forth information about the Company's debt instruments as of May 31, 2026:

$ amounts in millions

	Fiscal Year Maturity							Fair Value
	2027	2028	2029	2030	2031	Thereafter	Total	2026
Debt Obligations								
Lines of credit and current portion of long-term debt	$ 5.5	$ —	$ —	$ —	$ —	$ —	$ 5.5	$ 5.5
Average interest rate	4.2 %	—	—	—	—	—		
Long-term debt	$ —	$ —	$ —	$ 75.0	$ —	$ —	$ 75.0	$ 75.0
Average interest rate	—	—	—	5.2 %	—	—		
Film related obligations [1]	$ 2.6	$ 6.3	$ 8.1	$ 0.1	$ —	$ —	$ 17.1	$ 17.1
Average interest rate	5.8 %	5.1 %	5.0 %	5.0 %	—	—		

(1) Film related obligations are due on demand. Outstanding borrowings are presented by fiscal year maturity based on expected repayment dates per loan agreements.

Item 8 | Consolidated Financial Statements and Supplementary Data

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The following consolidated financial statement schedule for the years ended May 31, 2026, 2025 and 2024 is filed with this annual report on Form 10-K:	
Schedule II — Valuation and Qualifying Accounts and Reserves	S-1

All other schedules have been omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements or the Notes thereto.

Consolidated Statements of Operations

(Amounts in millions, except per share data)
For fiscal years ended May 31,

	2026	2025	2024
Revenues	**$ 1,581.9**	**$ 1,625.5**	**$ 1,589.7**
Operating costs and expenses			
Cost of goods sold	689.8	718.8	705.1
Selling, general and administrative expenses	807.2	822.3	803.0
Depreciation and amortization	58.8	65.7	57.1
Asset impairments and write downs	10.9	2.9	10.0
Total operating costs and expenses	1,566.7	1,609.7	1,575.2
Operating income (loss)	**15.2**	**15.8**	**14.5**
Interest income	2.9	2.2	4.6
Interest expense	(14.1)	(18.2)	(1.9)
Other components of net periodic benefit (cost)	(1.3)	(1.1)	(1.0)
Loss on sale of investments	(17.2)	—	—
Gain on sale and leaseback transactions	99.7	—	—
Earnings (loss) before income taxes	**85.2**	**(1.3)**	**16.2**
Provision (benefit) for income taxes	28.5	0.6	4.1
Net income (loss)	**$ 56.7**	**$ (1.9)**	**$ 12.1**
Basic and diluted earnings (loss) per share of Class A and Common Stock			
Basic:			
Net Income (loss)	$ 2.39	$ (0.07)	$ 0.41
Diluted:			
Net Income (loss)	$ 2.34	$ (0.07)	$ 0.40
Dividends declared per share of Class A and Common Stock	$ 0.80	$ 0.80	$ 0.80

See accompanying notes

Consolidated Statements of Comprehensive Income (Loss)

(Amounts in millions)
For fiscal years ended May 31,

	2026	2025	2024
Net income (loss)	**$ 56.7**	**$ (1.9)**	**$ 12.1**
Other comprehensive income (loss), net:			
Foreign currency translation adjustments	8.2	10.9	3.1
Pension and postretirement adjustments, net of tax	(2.6)	0.1	0.2
Total other comprehensive income (loss)	**$ 5.6**	**$ 11.0**	**$ 3.3**
Comprehensive income (loss)	**$ 62.3**	**$ 9.1**	**$ 15.4**

See accompanying notes

Consolidated Balance Sheets

(Amounts in millions)
Balances at May 31,

ASSETS	2026	2025
Current Assets:		
Cash and cash equivalents	$ 134.9	$ 124.0
Accounts receivable, net	236.4	273.4
Inventories, net	265.0	250.2
Income tax receivable	28.4	8.8
Tax credit receivable	19.3	21.0
Prepaid expenses and other current assets	37.3	47.9
Total current assets	**721.3**	**725.3**
Noncurrent Assets:		
Property, plant and equipment, net	201.6	516.3
Prepublication costs, net	41.1	49.7
Investment in film and television programs, net	40.4	42.1
Operating lease right-of-use assets, net	291.2	103.9
Royalty advances, net	64.6	78.1
Goodwill	199.4	198.9
Other intangible assets, net	77.9	87.9
Noncurrent deferred income taxes	31.8	34.7
Other assets and deferred charges	58.8	113.2
Total noncurrent assets	**1,006.8**	**1,224.8**
Total assets	**$ 1,728.1**	**$ 1,950.1**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Lines of credit and current portion of long-term debt	$ 5.5	$ 6.2
Film related obligations	17.1	18.3
Accounts payable	144.2	157.3
Accrued royalties	50.3	69.1
Deferred revenue	179.2	178.8
Other accrued expenses	158.1	166.2
Accrued income taxes	4.7	3.7
Operating lease liabilities	26.4	26.8
Total current liabilities	**585.5**	**626.4**
Noncurrent Liabilities:		
Long-term debt	75.0	250.0
Operating lease liabilities	280.6	91.5
Other noncurrent liabilities	36.2	35.7
Total noncurrent liabilities	**391.8**	**377.2**
Commitments and Contingencies:	**—**	**—**
Stockholders' Equity:		
Preferred Stock, $1.00 par value: Authorized, 2.0 shares; Issued and Outstanding, none	$ —	$ —
Class A Stock, $0.01 par value: Authorized, 3.2 shares; Issued and Outstanding, 0.8 shares.	0.0	0.0
Common Stock, $0.01 par value: Authorized, 70.0 shares; Issued, 42.9 shares; Outstanding, 17.9 and 24.2 shares, respectively	0.4	0.4
Additional paid-in capital	602.5	607.1
Accumulated other comprehensive income (loss)	(35.9)	(41.5)
Retained earnings	1,037.6	999.7
Treasury stock at cost: 25.0 and 18.7 shares, respectively	(853.8)	(619.2)
Total stockholders' equity	**750.8**	**946.5**
Total liabilities and stockholders' equity	**$ 1,728.1**	**$ 1,950.1**

See accompanying notes

Consolidated Statement of Changes in Stockholders' Equity

(Amounts in millions)

	Class A Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock At Cost	Total Stockholders' Equity of Scholastic Corporation	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount							
Balance at May 31, 2023	1.7	$ 0.0	30.0	$ 0.4	$ 632.2	$ (55.8)	$ 1,035.6	$ (449.5)	$ 1,162.9	$ 1.6	$ 1,164.5
Net Income (loss)	—	—	—	—	—	—	12.1	—	12.1	—	12.1
Foreign currency translation adjustment	—	—	—	—	—	3.1	—	—	3.1	—	3.1
Pension and post-retirement adjustments (net of tax of $0.2)	—	—	—	—	—	0.2	—	—	0.2	—	0.2
Stock-based compensation	—	—	—	—	11.0	—	—	—	11.0	—	11.0
Proceeds pursuant to stock-based compensation plans	—	—	—	—	6.5	—	—	—	6.5	—	6.5
Purchases of treasury stock at cost	—	—	(4.0)	—	—	—	—	(156.8)	(156.8)	—	(156.8)
Treasury stock issued pursuant to equity-based plans	—	—	0.5	—	(16.0)	—	—	19.6	3.6	—	3.6
Dividends	—	—	—	—	—	—	(24.0)	—	(24.0)	—	(24.0)
Other (share conversion)	(0.9)	—	0.9	—	(28.6)	—	—	28.6	—	—	—
Other (noncontrolling interest)	—	—	—	—	(0.5)	—	—	—	(0.5)	(1.6)	(2.1)
Balance at May 31, 2024	0.8	$ 0.0	27.4	$ 0.4	$ 604.6	$ (52.5)	$ 1,023.7	$ (558.1)	$ 1,018.1	$ —	$ 1,018.1
Net Income (loss)	—	—	—	—	—	—	(1.9)	—	(1.9)	—	(1.9)
Foreign currency translation adjustment	—	—	—	—	—	10.9	—	—	10.9	—	10.9
Pension and post-retirement adjustments (net of tax of $0.2)	—	—	—	—	—	0.1	—	—	0.1	—	0.1
Stock-based compensation	—	—	—	—	9.3	—	—	—	9.3	—	9.3
Proceeds pursuant to stock-based compensation plans	—	—	—	—	(0.4)	—	—	—	(0.4)	—	(0.4)
Purchases of treasury stock at cost	—	—	(3.5)	—	—	—	—	(70.9)	(70.9)	—	(70.9)
Treasury stock issued pursuant to equity-based plans	—	—	0.3	—	(6.4)	—	—	9.8	3.4	—	3.4
Dividends	—	—	—	—	—	—	(22.1)	—	(22.1)	—	(22.1)
Balance at May 31, 2025	0.8	$ 0.0	24.2	$ 0.4	$ 607.1	$ (41.5)	$ 999.7	$ (619.2)	$ 946.5	$ —	$ 946.5
Net Income (loss)	—	—	—	—	—	—	56.7	—	56.7	—	56.7
Foreign currency translation adjustment	—	—	—	—	—	8.2	—	—	8.2	—	8.2
Pension and post-retirement adjustments (net of tax of $0.3)	—	—	—	—	—	(2.6)	—	—	(2.6)	—	(2.6)
Stock-based compensation	—	—	—	—	8.5	—	—	—	8.5	—	8.5
Proceeds pursuant to stock-based compensation plans	—	—	—	—	17.8	—	—	—	17.8	—	17.8
Purchases of treasury stock at cost	—	—	(7.3)	—	—	—	—	(268.6)	(268.6)	—	(268.6)
Treasury stock issued pursuant to equity-based plans	—	—	1.0	—	(30.9)	—	—	34.0	3.1	—	3.1
Dividends	—	—	—	—	—	—	(18.8)	—	(18.8)	—	(18.8)
Balance at May 31, 2026	0.8	$ 0.0	17.9	$ 0.4	$ 602.5	$ (35.9)	$ 1,037.6	$ (853.8)	$ 750.8	$ —	$ 750.8

See accompanying notes

Consolidated Statements of Cash Flows

(Amounts in millions)
Years ended May 31,

	2026	2025	2024
Cash flows - operating activities:			
Net income (loss)	$ 56.7	$ (1.9)	$ 12.1
Adjustments to reconcile Net income (loss) to net cash provided by (used in) operating activities:			
Provision for losses on accounts receivable	6.5	5.0	5.2
Provision for losses on inventory	8.9	16.1	20.4
Provision for losses on royalty advances	6.2	5.7	2.7
Amortization of prepublication costs	21.6	21.9	26.2
Amortization of film and television programs	11.9	9.9	—
Depreciation and amortization	71.8	78.5	67.0
Amortization of pension and postretirement plans	0.8	0.5	0.4
Deferred income taxes	3.6	(19.7)	(1.9)
Stock-based compensation	8.5	9.3	11.0
Income from equity method investments	(0.3)	(0.5)	(0.5)
Loss on sale of investments	17.2	—	—
Non cash write off related to asset impairments and write downs	10.9	2.9	10.0
Gain on sale and leaseback transactions	(99.7)	—	—
Changes in assets and liabilities, net of amounts acquired:			
Accounts receivable	31.4	(26.7)	38.2
Inventories	(22.5)	(2.8)	50.9
Income tax receivable	(19.6)	6.8	(6.3)
Tax credit receivable	1.6	10.6	—
Prepaid expenses and other current assets	7.4	4.1	(1.7)
Investment in film and television programs	(12.1)	(12.5)	—
Royalty advances	7.6	(25.8)	(3.4)
Employee benefit plan contribution	(8.6)	—	—
Accounts payable	(13.8)	15.5	(32.5)
Accrued royalties	(19.4)	13.3	(4.5)
Deferred revenue	(0.1)	7.5	(8.1)
Other accrued expenses	(10.5)	(1.5)	(10.3)
Accrued income taxes	1.0	1.7	(11.5)
Other, net	(16.1)	6.3	(8.8)
Net cash provided by (used in) operating activities	50.9	124.2	154.6
Cash flows - investing activities:			
Prepublication expenditures	(17.9)	(24.5)	(22.8)
Additions to property, plant and equipment	(48.4)	(52.2)	(58.4)
Net proceeds from sale and leaseback transactions	452.4	—	—
Net proceeds from sale of investments	19.4	—	—
Return of capital from investments	0.3	—	—
Acquisition-related payments	—	(176.2)	(6.4)
Purchase of noncontrolling interests	—	—	(2.1)
Net cash provided by (used in) investing activities	405.8	(252.9)	(89.7)

See accompanying notes

Consolidated Statements of Cash Flows

(Amounts in millions)
Years ended May 31,

	2026	2025	2024
Cash flows - financing activities:			
Borrowings under lines of credit, credit agreement and revolving loan	234.3	305.9	54.1
Repayments of lines of credit, credit agreement and revolving loan	(409.8)	(57.4)	(54.1)
Borrowings under film related obligations	17.5	16.5	—
Repayments of film related obligations (including interests)	(18.5)	(34.8)	—
Repayment of capital lease obligations	(2.1)	(1.7)	(2.3)
Reacquisition of common stock	(265.9)	(70.0)	(158.2)
Proceeds pursuant to stock-based compensation plans	18.6	1.2	9.1
Payment of dividends	(20.0)	(22.6)	(24.7)
Other, net	(0.1)	0.2	—
Net cash provided by (used in) financing activities	(446.0)	137.3	(176.1)
Effect of exchange rate changes on cash and cash equivalents	0.2	1.7	0.4
Net increase (decrease) in cash and cash equivalents	10.9	10.3	(110.8)
Cash and cash equivalents at beginning of period	124.0	113.7	224.5
Cash and cash equivalents at end of period	$ 134.9	$ 124.0	$ 113.7

	2026	2025	2024
Supplemental Information:			
Cash paid for income taxes, net of refunds	$ 43.4	$ 2.0	$ 23.7
Cash paid for interest	15.2	18.3	2.2

See accompanying notes

(Amounts in millions, except share and per share data)

1. DESCRIPTION OF THE BUSINESS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the business

Scholastic Corporation (the "Corporation" and together with its subsidiaries, "Scholastic" or the "Company") is the world's largest publisher and distributor of children's books, a leading provider of print and digital instructional materials for grades pre-kindergarten ("pre-K") to grade 12 and a producer of entertaining literary and educational children's media. The Company creates quality books and ebooks, print and technology-based learning materials and programs, classroom magazines and other products that, in combination, offer schools, as well as parents and children, customized and comprehensive solutions to support children's learning and reading both at school and at home. Since its founding in 1920, Scholastic has emphasized quality products and a dedication to reading, learning and literacy. The Company is the leading operator of school-based book club and book fair proprietary channels. It distributes its products and services through these channels, as well as directly to schools and libraries, through retail stores and through the internet. The Company's website, scholastic.com, is a leading site for teachers, classrooms and parents and an award-winning destination for children. Scholastic has operations in the United States and throughout the world including Canada, the United Kingdom, Ireland, Australia, New Zealand and Asia and, through its export business, sells products in approximately 145 international locations.

Basis of presentation

Principles of consolidation

The Consolidated Financial Statements include the accounts of Scholastic Corporation (the "Corporation") and all wholly-owned and majority-owned subsidiaries (collectively, "Scholastic" or the "Company"). The Company reviews its relationships with other entities to identify whether it is the primary beneficiary of a variable interest entity ("VIE"). If the determination is made that the Company is the primary beneficiary, then the entity is consolidated. Intercompany transactions are eliminated in consolidation.

The Company's fiscal year is not a calendar year. Accordingly, references in this document to fiscal 2026 relate to the twelve-month period ended May 31, 2026. Certain prior period amounts have been reclassified to conform with the current year presentation.

Noncontrolling Interest

On June 1, 2023, the Company acquired the remaining shares of Make Believe Ideas Limited ("MBI"), a UK-based children's book publishing company, which represented a 5.0% noncontrolling interest, increasing the Company's total ownership from 95.0% to 100%.

Prior to June 1, 2023, the founder and chief executive officer of MBI retained a 5.0% noncontrolling ownership interest in MBI. The Company fully consolidated MBI as of the acquisition date and the 5.0% noncontrolling interest was classified within stockholder's equity.

Use of estimates

The Company's Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The preparation of these financial statements involves the use of estimates and assumptions by management, which affects the amounts reported in the Consolidated Financial Statements and accompanying notes. The Company bases its estimates on historical experience, current business factors and various other assumptions believed to be reasonable under the circumstances, all of which are necessary in order to form a basis for determining the carrying values of assets and liabilities. Actual results may differ from those estimates and assumptions. On an ongoing basis, the Company evaluates the adequacy of its reserves and the estimates used in calculations, including, but not limited to:

- Accounts receivable allowance for credit losses
- Pension and other postretirement benefit obligations
- Uncertain tax positions

- The timing and amount of future income taxes and related deductions
- Inventory reserves
- Cost of goods sold from book fair operations during interim periods based on estimated gross profit rates
- Sales tax contingencies
- Royalty advance reserves and royalty expense accruals
- Expected economic useful life and recoverability of film and television program assets and prepublication costs
- Impairment assessment of goodwill, intangibles and other long-lived assets
- Assets and liabilities acquired in business combinations
- Variable consideration related to anticipated returns
- Allocation of transaction price to contractual performance obligations
- Incremental borrowing rate used to determine the present value of future lease payments and related lease liabilities

Summary of Significant Accounting Policies

Revenue recognition

The Company's revenue recognition policies for its principal businesses are as follows:

School-Based Book Clubs – Revenue from school-based book clubs is recognized upon shipment of the products.

School-Based Book Fairs – Revenues associated with school-based book fairs relate to the sale of children's books and other products to book fair sponsors. In addition, the Company employs an incentive program to encourage the sponsorship of book fairs and increase the number of fairs held each school year. The Company identifies two potential performance obligations within its school-based book fair contracts, which include the fulfillment of book fairs product and the fulfillment of product upon the redemption of incentive program credits by customers. The Company allocates the transaction price to each performance obligation and recognizes revenue at a point in time. The Company utilizes certain estimates based on historical experience, redemption patterns and future expectations related to the participation in the incentive program to determine the relative fair value of each performance obligation when allocating the transaction price. Changes in these estimates could impact the timing of the recognition of revenue. Revenue allocated to the book fairs product is recognized at the point at which product is delivered to the customer and control is transferred. The revenue allocated to the incentive program credits is recognized upon redemption of incentive credits and the transfer of control of the redeemed product. Incentive credits are generally redeemed within 12 months of issuance. Payment for school-based book fairs product is due at the completion of a customer's fair. Revenues associated with virtual fairs are recognized upon shipment of the products and related incentive program credits are expensed upon issuance.

Trade – Revenue from the sale of children's books for distribution in the retail channel is primarily recognized when performance obligations are satisfied and control is transferred to the customer, or when the product is on sale and available to the public. For newly published titles, the Company, on occasion, contractually agrees with its customers when the publication may be first offered for sale to the public, or an agreed upon "Strict Laydown Date." For such titles, the control of the product is not deemed to be transferred to the customer until such time that the publication can contractually be sold to the public, and the Company defers revenue on sales of such titles until such time as the customer is permitted to sell the product to the public. Revenue for ebooks, which is generally the net amount received from the retailer, is recognized upon electronic delivery to the customer by the retailer. The sale of trade product generally includes a right of return.

Education – Revenue from the sale of educational materials is recognized upon shipment of the products, or upon acceptance of product by the customer, depending on individual contractual terms. Revenue from digital products is deferred and recognized ratably over the subscription period. Revenue from professional development services is recognized when the services have been provided to the customer. Revenue from contracts with multiple deliverables are recognized as each performance obligation is satisfied in which the transaction price is allocated on a relative standalone selling price basis.

Magazines – Revenue is deferred and recognized ratably over the subscription period, as the magazines are delivered.

Film and TV production – Revenue is deferred during production and recognized at a point in time when the film or episodes have been delivered and are available for showing or exploitation.

Production services – Revenue is recognized over time using the percentage-of-completion method based on the proportion of costs incurred in the current period to total expected costs as this depicts the transfer of control of the promised services or goods to the customer.

Licensing and royalty income – Revenue from the sale or granting of broadcast license rights to third parties is recognized when the licensed content is available to the customer and the customer has the contractual right to broadcast or stream the content. Revenue from sales and usage-based royalties related to licenses is generally recognized when the subsequent sale or usage occurs.

Export – Revenue from the export channel is recognized upon acceptance of the physical product by the customer.

The Company has elected to present sales and other related taxes on a net basis, excluded from revenues, and as such, these are included within Other accrued expenses until remitted to taxing authorities.

Cash equivalents
Cash equivalents consist of short-term investments with original maturities of three months or less.

Accounts receivable
Accounts receivable are recognized net of an allowance for credit losses. In the normal course of business, the Company extends credit to customers that satisfy predefined credit criteria. The Company recognizes an allowance for credit losses on trade receivables that are expected to be incurred over the lifetime of the receivable. Reserves for estimated credit losses are established at the time of sale and are based on relevant information about past events, current conditions, and supportable forecasts impacting its ultimate collectability, including specific reserves on a customer-by-customer basis, creditworthiness of the Company's customers and prior collection experience. At the time the Company determines that a receivable balance, or any portion thereof, is deemed to be permanently uncollectible, the balance is then written off. Accounts receivable allowance for credit losses was $11.0 as of May 31, 2026 and 2025.

Estimated returns
For sales that include a right of return, the Company estimates the transaction price and records revenues as variable consideration based on the amounts the Company expects to ultimately be entitled. In order to determine estimated returns, the Company utilizes historical return rates, sales patterns, types of products and expectations and recognizes a corresponding reduction to Revenues and Cost of goods sold. Management also considers patterns of sales and returns in the months preceding the fiscal year, as well as actual returns received subsequent to the fiscal year, available customer and market specific data and other return rate information that management believes is relevant. In addition, a refund liability is recorded within Other accrued expenses for the consideration to which the Company believes it will not ultimately be entitled and a return asset is recorded within Prepaid expenses and other current assets for the expected inventory to be returned. Actual returns could differ from the Company's estimate.

Inventories
Inventories, consisting principally of books, are stated at the lower of cost, using the first-in, first-out method, or net realizable value. The Company records a reserve for excess and obsolete inventory based upon a calculation using the expected future sales of existing inventory driven by estimates around forecasted purchases, inventory consumption costs, and the sell-through rate of current fiscal year purchases. In accordance with the Company's inventory retention policy, expected future sales of existing inventory are compared against historical usage by channel for reasonableness and any specifically identified excess or obsolete inventory, due to an anticipated lack of demand, will also be reserved.

Property, plant and equipment
Property, plant and equipment are stated at cost. Depreciation and amortization are recognized on a straight-line basis over the estimated useful lives of the assets. Buildings have an estimated useful life, for purposes of depreciation, of forty years. Building improvements are depreciated over the life of the improvement which typically does not exceed twenty-five years. Capitalized software, net of accumulated amortization, was $52.4 and $51.8 at May 31, 2026 and 2025, respectively. Capitalized software is amortized over a period of three to ten years. Amortization expense for capitalized software was $21.9, $23.0 and $25.1 for the fiscal years ended May 31, 2026, 2025 and 2024, respectively. Furniture, fixtures and equipment are depreciated over periods not exceeding ten years. Leasehold improvements are amortized over the life of the lease or the life of the assets, whichever is shorter. The Company assesses the estimated

useful lives of property, plant and equipment and evaluates potential impairment when events or circumstances indicate that the carrying value may not be recoverable.

Cloud Computing Arrangements
The Company incurs costs to implement cloud computing arrangements that are hosted by a third party vendor. Implementation costs incurred during the application development stage are capitalized and amortized over the term of the hosting arrangement on a straight-line basis. The Company capitalized $8.2 and $9.8 of costs incurred in fiscal 2026 and 2025, respectively, to implement cloud computing arrangements, primarily related to digital and consumer data platforms. These amounts are included within Other assets and deferred charges on the Company's Consolidated Balance Sheets.

Leases
The Company's lease arrangements primarily relate to corporate offices and warehouse facilities, and to a lesser extent, certain equipment and other assets. The Company's leases generally have initial terms ranging from 3 to 10 years, except for the leases associated with its headquarters and primary distribution facility, which have initial terms of 15 years and 20 years, respectively. Certain leases include renewal or early-termination options, rent escalation clauses, and/or lease incentives. Lease renewal rent payment terms generally reflect adjustments for market rates prevailing at the time of renewal. The Company's leases require fixed minimum rent payments and also often require the payment of certain other costs that do not relate specifically to its right to use an underlying leased asset, but are associated with the asset, such as real estate taxes, insurance, common area maintenance fees and/or certain other costs (referred to collectively herein as "non-lease components"), which may be fixed or variable in amount depending on the terms of the respective lease agreement. The Company's leases do not contain significant residual value guarantees or restrictive covenants.

The Company determines whether an arrangement contains a lease at the inception of the arrangement. If a lease is determined to exist, the term of such lease is assessed based on the date on which the underlying asset is made available for the Company's use by the lessor. The Company's assessment of the lease term reflects the non-cancelable term of the lease, inclusive of any rent-free periods and/or periods covered by early-termination options which the Company is reasonably certain of not exercising, as well as periods covered by renewal options which the Company is reasonably certain of exercising. The Company also determines lease classification as either operating or finance at lease commencement, which governs the pattern of expense recognition and the presentation reflected in the Consolidated Statements of Operations over the lease term.

For leases with a term exceeding 12 months, a lease liability is recorded on the Company's Consolidated Balance Sheet at lease commencement reflecting the present value of its fixed minimum payment obligations over the lease term. A corresponding right-of-use ("ROU") asset equal to the initial lease liability is also recorded, adjusted for any prepaid rent and/or initial direct costs incurred in connection with execution of the lease and reduced by any lease incentives received. The Company elects, by asset class, to account for lease and non-lease components as a single lease component and, accordingly, includes fixed payments associated with non-lease components in the measurement of ROU assets and lease liabilities for all classes of underlying assets, except its corporate headquarters lease. ROU assets associated with finance leases are presented separate from ROU assets associated with operating leases and are included within Property, plant and equipment, net on the Company's Consolidated Balance Sheet. For purposes of measuring the present value of its fixed payment obligations for a given lease, the Company uses its incremental borrowing rate, determined based on information available at lease commencement, as rates implicit in its leasing arrangements are typically not readily determinable. The Company's incremental borrowing rate reflects the rate it would pay to borrow on a secured basis, and incorporates the term and economic environment of the associated lease.

For operating leases, fixed lease payments are recognized as lease expense on a straight-line basis over the lease term. For finance leases, the initial ROU asset is depreciated on a straight-line basis over the lease term, along with recognition of interest expense associated with accretion of the lease liability, which is ultimately reduced by the related fixed payments. For leases with a term of 12 months or less, any fixed lease payments are recognized on a straight-line basis over the lease term, and are not recognized on the Company's Consolidated Balance Sheet. Variable lease costs for both operating and finance leases, if any, are recognized as incurred.

Sublease rental income is recognized on a straight-line basis over the duration of each lease term. To the extent expected sublease income is less than expected rental payments, the Company recognizes a loss on the difference based on the present value of the minimum lease payments under each lease.

Lease payments received are presented as Revenues in the Consolidated Statements of Operations.

Prepublication costs
Prepublication costs are incurred in all of the Company's reportable segments. Prepublication costs include costs incurred to create the art, prepress, editorial, digital conversion and other content required for the creation of the master copy of a book or other media. Prepublication costs are amortized on a straight-line basis over a two-to-five-year period based on expected future revenues. The Company regularly reviews the recoverability of these capitalized costs based on expected future cash flows.

Investment in film and television programs
Investments in film and television programs are stated at the lower of cost or net realizable value. Investment in film and television programs includes all direct production and financing costs incurred during production and minimum guarantee payments made to acquire distribution rights. Interest costs are capitalized to the cost of the film or television program until substantially all of the activities required for delivery are complete. Investments in film and television programs are amortized using the declining-balance method with rates ranging from 50% to 90% at the time of initial episodic delivery and at rates ranging from 10% to 25% annually thereafter. The determination of the rates is based on the expected economic useful life of the film or television program and includes factors such as rights retained by the Company, the availability of rights to renew licenses for episodic television programs in various territories, and the availability of secondary market revenue. The Company regularly reviews the recoverability of these capitalized costs based on expected future cash flows for an individual film or television program.

Government financing and assistance
The Company has access to government programs and tax credits that are designed to assist film, television and digital media production and distribution. Amounts received and amounts receivable which relate to the Company's film and television program assets are recorded as a reduction in the production costs of the related asset.

Long-lived assets
Long-lived assets, including operating lease right-of-use assets, property, plant, and equipment, prepublication costs and definite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. For the purposes of impairment testing, long-lived assets are grouped at the lowest level of identifiable cash flows. If impairment indicators are present, the Company performs a recoverability test by comparing the sum of the estimated undiscounted future cash flows attributable to the asset to its carrying amount. If it is determined that a long-lived asset is not recoverable, an impairment loss is recognized based on the excess of the carrying amount over the fair value of the asset. The fair values determined by the Company require significant judgment and include certain assumptions regarding future sales and expenses, discount rates and real estate market conditions.

Royalty advances
Royalty advances are incurred in all of the Company's reportable segments except the *Entertainment* segment, but are most prevalent in the *Children's Book Publishing and Distribution* segment and enable the Company to obtain contractual commitments from authors, illustrators, licensors and other publishers to produce content. The Company regularly provides these content providers advances against expected future royalty payments, often before the books are written. Upon publication and sale of the books or other media, the content providers will not receive further royalty payments until the contractual royalties earned from sales of such books or other media exceed such advances.

Royalty advances are initially capitalized and subsequently expensed as related revenues are earned or when the Company determines future recovery through earndowns is not probable. The Company has a long history of providing authors, illustrators, licensors and other publishers with royalty advances and it tracks each advance earned with respect to the sale of the related publication. The royalties earned are applied first against the remaining unearned portion of the advance. Historically, the longer the unearned portion of the advance remains outstanding, the less likely it is that the Company will recover the advance through the sale of the publication. The Company applies this historical experience to its existing outstanding royalty advances to estimate the likelihood of recoveries through earndowns. Additionally, the Company's editorial staff regularly reviews its portfolio of royalty advances to determine if individual royalty advances are not recoverable through earndowns for discrete reasons, such as the death of an author prior to completion of a title or titles, a Company decision to not publish a title, poor market demand or other relevant factors that could impact recoverability. The reserve for royalty advances was $92.7 and $86.9 as of May 31, 2026 and 2025, respectively.

Goodwill and intangible assets
The Company records intangible assets based on their fair value on the date of acquisition. Goodwill is recorded as the difference between the fair value of the purchase consideration and the fair value of the net identifiable tangible and intangible assets acquired.

Goodwill and other intangible assets with indefinite lives are not amortized and are reviewed for impairment annually as of May 31 or more frequently if impairment indicators arise.

With regard to goodwill, the Company compares the estimated fair values of its identified reporting units to the carrying values of their net assets. The Company first performs a qualitative assessment to determine whether it is more likely than not that the fair values of its identified reporting units are less than their carrying values. If it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company performs the quantitative goodwill impairment test. The Company measures goodwill impairment by the amount the carrying value exceeds the fair value of a reporting unit. For each of the reporting units, the estimated fair value is determined utilizing the expected present value of the projected future cash flows of the reporting unit, in addition to comparisons to similar companies. The Company reviews its definition of reporting units annually or more frequently if conditions indicate that the reporting units may change. The Company evaluates its operating segments to determine if there are components one level below the operating segment level. A component is present if discrete financial information is available and segment management regularly reviews the operating results of the business. If an operating segment only contains a single component, that component is determined to be a reporting unit for goodwill impairment testing purposes. If an operating segment contains multiple components, the Company evaluates the economic characteristics of these components. Any components within an operating segment that share similar economic characteristics are aggregated and deemed to be a reporting unit for goodwill impairment testing purposes. Components within the same operating segment that do not share similar economic characteristics are deemed to be individual reporting units for goodwill impairment testing purposes. The Company has seven reporting units with goodwill subject to impairment testing.

With regard to other intangibles with indefinite lives, the Company first performs a qualitative assessment to determine whether it is more likely than not that the fair value of the identified asset is less than its carrying value. If it is more likely than not that the fair value of the asset is less than its carrying amount, the Company performs a quantitative test. The estimated fair value is determined utilizing the expected present value of the projected future cash flows of the asset.

Intangible assets with definite lives consist principally of customer lists, customer contracts/relationships, intellectual property, and trade names and are amortized over their expected useful lives. Customer lists, customer contracts/relationships, intellectual property and trade names are typically amortized on a straight-line basis over five to ten years.

Income taxes
The Company uses the asset and liability method of accounting for income taxes. Under this method, for purposes of determining taxable income, deferred tax assets and liabilities are determined based on differences between the financial reporting and the tax basis of such assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to be realized.

The Company believes that its taxable earnings, during the periods when the temporary differences giving rise to deferred tax assets become deductible or when tax benefit carryforwards may be utilized, should be sufficient to realize the related future income tax benefits. For those jurisdictions where the expiration date of the tax benefit carryforwards or the projected taxable earnings indicates that realization is not likely, the Company establishes a valuation allowance.

In assessing the need for a valuation allowance, the Company estimates future taxable earnings, with consideration for the feasibility of ongoing tax planning strategies and the realizability of tax benefit carryforwards, to determine which deferred tax assets are more likely than not to be realized in the future. Valuation allowances related to deferred tax assets can be impacted by changes to tax laws, changes to statutory tax rates and future taxable earnings. In the event that actual results differ from these estimates in future periods, the Company may need to adjust the valuation allowance.

The Company accounts for uncertain tax positions using a two-step method. Recognition occurs when an entity concludes that a tax position, based solely on technical merits, is more likely than not to be sustained upon examination. If a tax position is more likely than not to be sustained upon examination, the amount recognized is the

largest amount of benefit, determined on a cumulative probability basis, which is more likely than not to be realized upon settlement. The Company assesses all income tax positions and adjusts its reserves against these positions periodically based upon these criteria. The Company also assesses potential penalties and interest associated with these tax positions, and includes these amounts as a component of income tax expense.

The Company assesses foreign investment levels periodically to determine if all or a portion of the Company's investments in foreign subsidiaries are indefinitely invested. Any required adjustment to the income tax provision would be reflected in the period that the Company changes this assessment. The Company elects to recognize the tax on Global Intangible Low-Taxed Income (GILTI) earned by foreign subsidiaries as a period expense in the period the tax is incurred.

Non-income Taxes

The Company is subject to tax examinations for sales-based taxes. A number of these examinations are ongoing and, in certain cases, have resulted in assessments from taxing authorities. Where a sales tax liability with respect to a jurisdiction is probable and can be reliably estimated, the Company has made accruals for these matters which are reflected in the Company's Consolidated Financial Statements. These amounts are included in the Consolidated Financial Statements in Selling, general and administrative expenses. Future developments relating to the foregoing could result in adjustments being made to these accruals.

Employee Benefit Plan Obligations

The rate assumptions discussed below impact the Company's calculations of its UK pension and U.S. postretirement obligations. The rates applied by the Company are based on the UK pension plan asset portfolio's past average rates of return, discount rates and actuarial information. Any change in market performance, interest rate performance, assumed health care cost trend rate and compensation rates could result in significant changes in the Company's UK pension plan and U.S. postretirement obligations.

Pension obligations – Scholastic Corporation's UK subsidiary has a defined benefit pension plan covering the majority of its employees who meet certain eligibility requirements. The Company's pension plan and other postretirement benefits are accounted for using actuarial valuations.

The Company's UK Pension Plan calculations are based on three primary actuarial assumptions: the discount rate, the long-term expected rate of return on plan assets and the anticipated rate of compensation increases. The discount rate is used in the measurement of the projected, accumulated and vested benefit obligations and interest cost component of net periodic pension costs. The long-term expected return on plan assets is used to calculate the expected earnings from the investment or reinvestment of plan assets. The anticipated rate of compensation increase is used to estimate the increase in compensation for participants of the plan from their current age to their assumed retirement age. The estimated compensation amounts are used to determine the benefit obligations.

Other postretirement benefits – The Company provides postretirement benefits, consisting of healthcare and life insurance benefits, to eligible retired United State-based employees. The postretirement medical plan benefits are funded on a pay-as-you-go basis, with the employee paying a portion of the premium and the Company paying the remainder. The existing benefit obligation is based on the discount rate and the assumed health care cost trend rate. The discount rate is used in the measurement of the projected and accumulated benefit obligations and the interest cost component of net periodic postretirement benefit cost. The assumed health care cost trend rate is used in the measurement of the long-term expected increase in medical claims.

Foreign currency translation

The Company's non-United States dollar-denominated assets and liabilities are translated into United States dollars at prevailing rates at the balance sheet date and the revenues, costs and expenses are translated at the weighted average rates prevailing during each reporting period. Net gains or losses resulting from the translation of the foreign financial statements and the effect of exchange rate changes on long-term intercompany balances are accumulated and charged directly to the foreign currency translation adjustment component of stockholders' equity until such time as the operations are substantially liquidated or sold. The Company assesses foreign investment levels periodically to determine if all or a portion of the Company's investments in foreign subsidiaries are indefinitely invested.

Shipping and handling costs

Amounts billed to customers for shipping and handling are classified as revenue. Costs incurred in shipping and handling are recognized in Cost of goods sold.

Advertising costs
Advertising costs are expensed by the Company as incurred. Total advertising expense was $58.4, $61.4 and $61.7 for the twelve months ended May 31, 2026, 2025 and 2024, respectively.

Stock-based compensation
The Company recognizes the cost of services received in exchange for any stock-based awards. The Company recognizes the cost on a straight-line basis over an award's requisite service period, which is generally the vesting period, except for the grants to retirement-eligible employees, based on the award's fair value at the date of grant.

The fair values of stock options granted by the Company are estimated at the date of grant using the Black-Scholes option-pricing model. The Company's determination of the fair value of stock-based payment awards using this option-pricing model is affected by the price of the Common Stock as well as by assumptions regarding highly complex and subjective variables, including, but not limited to, the expected price volatility of the Common Stock over the terms of the awards, the risk-free interest rate, and actual and projected employee stock option exercise behaviors. Estimates of fair value are not intended to predict actual future events or the value that may ultimately be realized by those who receive these awards.

Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates, in order to derive the Company's best estimate of awards ultimately expected to vest. In determining the estimated forfeiture rates for stock-based awards, the Company annually conducts an assessment of the actual number of equity awards that have been forfeited previously. When estimating expected forfeitures, the Company considers factors such as the type of award, the employee class and historical experience. The estimate of stock-based awards that will ultimately be forfeited requires significant judgment and, to the extent that actual results or updated estimates differ from current estimates, such amounts will be recognized as a cumulative adjustment in the period such estimates are revised.

The table set forth below provides the estimated fair value of options granted by the Company during fiscal years 2026, 2025 and 2024 and the significant weighted average assumptions used in determining such fair value under the Black-Scholes option-pricing model. The average expected life represents an estimate of the period of time stock options are expected to remain outstanding based on the historical exercise behavior of the option grantees. The risk-free interest rate was based on the U.S. Treasury yield curve corresponding to the expected life in effect at the time of the grant. The volatility was estimated based on historical volatility corresponding to the expected life.

	2026	2025	2024
Estimated fair value of stock options granted	$ 6.91	$ 11.92	$ 11.53
Assumptions:			
Expected dividend yield	3.7 %	2.2 %	2.2 %
Expected stock price volatility	43.9 %	38.8 %	37.4 %
Risk-free interest rate	3.9 %	4.3 %	4.7 %
Average expected life of options	6 years	5 years	4 years

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes (Topic 740)." The amendments in this update enhance the transparency and decision usefulness of income tax disclosures to provide information to better assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. The amendments in this ASU require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this ASU have been applied prospectively. Refer to Note 14, "Taxes," for the Company's disclosures related to this update.

Recently Issued Accounting Pronouncements

In December 2025, the FASB issued ASU 2025-10, "Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities." The amendments in this Update establish the accounting for a government grant received by a business entity, including guidance for (1) a grant related to an asset and (2) a grant related to income. A grant related to an asset is a government grant, or part of a government grant, that is conditioned on the purchase, construction, or acquisition of an asset (for example, a long-lived asset or inventory). A grant related to

income is a government grant, or part of a government grant, other than a grant related to an asset (for example, a grant that reimburses a business entity for operating expenses). The update provides guidance for the recognition, measurement, and presentation of government grants. This ASU applies to government tax credits that the Company receives related to film, television and digital media production and distribution. The ASU is effective for the Company's fiscal year 2030 and early adoption is permitted. The Company is currently assessing the impact of this ASU on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40) Targeted Improvements to the Accounting for Internal-Use Software." The amendments in this Update remove all references to prescriptive and sequential software development stages throughout Subtopic 350-40. Therefore, an entity is required to start capitalizing software costs when both of the following occur: 1. Management has authorized and committed to funding the software project. 2. It is probable that the project will be completed and the software will be used to perform the function intended. The amendments in this Update specify that the disclosures in Subtopic 360-10, "Property, Plant, and Equipment—Overall," are required for all capitalized internal-use software costs, regardless of how those costs are presented in the financial statements. Additionally, the amendments clarify that the intangibles disclosures in paragraphs 350-30-50-1 through 50-3 are not required for capitalized internal-use software costs. Furthermore, the amendments in this Update supersede the website development costs guidance and incorporate the recognition requirements for website-specific development costs from Subtopic 350-50 into Subtopic 350-40. This ASU is effective for the Company's fiscal year 2029. Early adoption is permitted. The Company is currently assessing the impact of this ASU on its consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets." The amendments in this Update provide entities with a practical expedient related to developing reasonable and supportable forecasts as part of estimating expected credit losses, in which entities may elect to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. If the Company elects to use the practical expedient, this ASU is effective for the Company's fiscal year 2027. Early adoption is allowed. The Company is currently assessing the impact of this ASU on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) - Disaggregation of Income Statement Expenses." This ASU improves financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. In January 2025, the FASB issued ASU 2025-01,""Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) - Clarifying the Effective Date" to clarify the effective date of ASU 2024-03 for non-calendar year-end entities. ASU 2024-03 is effective for the Company's fiscal year 2028, and interim periods starting in fiscal year 2029. Early adoption is permitted. The amendments in this ASU are to be applied retrospectively to all prior periods presented in the financial statements. The Company is currently assessing the impact of the disclosure requirements on its consolidated financial statements.

2. REVENUES

Disaggregated Revenue Data

The following table presents the Company's segment revenues disaggregated by region and domestic channel during the year ended May 31:

	2026	2025	2024
Book Clubs - U.S.	$ 57.1	$ 64.2	$ 62.7
Book Fairs - U.S.	576.0	548.3	541.6
Trade - U.S. [1]	289.9	304.7	298.7
Trade - International [2]	41.2	46.7	50.3
Total Children's Book Publishing and Distribution	**964.2**	**963.9**	**953.3**
Education - U.S.	267.6	309.8	351.2
Total Education	**267.6**	**309.8**	**351.2**
Entertainment - U.S. [1]	8.8	5.2	1.9
Entertainment - International	56.9	55.8	—
Total Entertainment	**65.7**	**61.0**	**1.9**
International - Major Markets [3]	235.9	241.6	228.6
International - Other Markets [4]	41.3	38.0	45.0
Total International	**277.2**	**279.6**	**273.6**
Overhead [5]	**7.2**	**11.2**	**9.7**
Total Revenues	**$ 1,581.9**	**$ 1,625.5**	**$ 1,589.7**

(1) The *Entertainment* segment includes the operations of SEI, which were included in the *Children's Book Publishing and Distribution* segment in prior periods, and 9 Story. The financial results for SEI for fiscal 2024 have been reclassified to *Entertainment* to reflect this change.
(2) Primarily includes foreign rights and certain product sales in the UK.
(3) Includes Canada, UK, Australia and New Zealand.
(4) Primarily includes markets in Asia.
(5) Overhead includes rental income related to leased space in the Company's headquarters. As a result of the sale and leaseback transactions completed during the third quarter of fiscal 2026, the Company no longer owns the underlying leasable space. Refer to Note 4, "Sale and Leaseback Transactions", and Note 11, "Leases", for further details.

Estimated Returns

A liability for expected returns of $32.2 and $34.4 was recorded within Other accrued expenses on the Company's Consolidated Balance Sheets as of May 31, 2026 and 2025, respectively. In addition, a return asset of $4.4 and $3.7 was recorded within Prepaid expenses and other current assets as of May 31, 2026 and 2025, respectively, for the recoverable cost of product estimated to be returned by customers.

Contract Liabilities

The following table presents further detail regarding the Company's contract liabilities balance for the years ended May 31:

	2026	2025
Book fairs incentive credits	$ 127.2	$ 122.1
Magazines+ subscriptions	3.6	3.9
U.S. digital subscriptions	6.6	11.1
U.S. education-related [1]	5.7	7.5
Entertainment-related [2]	10.9	8.2
Stored value programs	22.5	22.4
Other [3]	5.4	7.8
Total contract liabilities	**$ 181.9**	**$ 183.0**

(1) Primarily relates to contracts with school districts and professional services.
(2) Primarily relates to contracts for film and TV productions and production services.
(3) Primarily relates to contracts for various international products and services.

The Company's contract liabilities consist of advance billings and payments received from customers in excess of revenue recognized and revenue allocated to outstanding book fairs incentive credits. Contract liabilities of $179.2 and $178.8 as of May 31, 2026 and 2025, respectively, are recorded within Deferred revenue on the Company's Consolidated Balance Sheets and are classified as short term, as substantially all of the associated performance obligations are expected to be satisfied, and related revenue recognized, within one year. The remaining $2.7 and $4.2 of contract liabilities as of May 31, 2026 and 2025, respectively, are recorded within Other noncurrent liabilities on the Company's Consolidated Balance Sheets as the associated performance obligations are expected to be satisfied, and related revenue recognized, in excess of one year. The amount of revenue recognized during the years ended May 31, 2026 and 2025 included within the opening Deferred revenue balance was $158.5 and $136.8, respectively.

Allowance for Credit Losses

The following table presents the change in the allowance for credit losses, which is included in Accounts Receivable, net on the Consolidated Balance Sheets:

	Allowance for Credit Losses
Balance as of June 1, 2025	**$ 11.0**
Current period provision	6.5
Write-offs and other	(6.5)
Balance as of May 31, 2026	**$ 11.0**

3. SEGMENT INFORMATION

The Company categorizes its businesses into four reportable segments: *Children's Book Publishing and Distribution, Education, Entertainment* and *International*.

- **Children's Book Publishing and Distribution** operates as an integrated business which includes the publication and distribution of children's books, ebooks, media and interactive products in the United States through its School Reading Events business, which includes the book clubs and book fairs channels and through the trade channel. This segment is comprised of two operating segments.

- **Education** includes the publication and distribution to schools and libraries of children's books, classroom magazines, print and digital supplemental and core classroom materials and programs and related support services, and print and online reference and non-fiction products for grades pre-kindergarten to 12 in the United States. This segment is comprised of one operating segment.

- **Entertainment** includes the development, production, distribution and licensing of children and family film and television content. This segment is comprised of one operating segment.

- **International** includes the publication and distribution of products and services outside the United States by the Company's international operations and its export and foreign rights businesses. This segment is comprised of four operating segments.

The Company's chief operating decision maker ("CODM") is the President and Chief Executive Officer. The CODM uses operating income (loss) as the profit measure to evaluate segment performance and allocate resources to the segments. The CODM considers variances of actual performance to forecasts and prior year when making decisions.

The following tables present the Company's revenue, significant expenses, and operating income (loss) by segment for the three fiscal years ended May 31:

	2026					
	Children's Book Publishing and Distribution	Education	Entertainment [1]	International	Overhead [2]	Consolidated
Revenues	$ 964.2	$ 267.6	$ 65.7	$ 277.2	$ 7.2	$ 1,581.9
Cost of goods sold [3]	393.5	104.1	37.9	155.0	(0.7)	689.8
Selling, general and administrative expenses [3][4]	404.1	151.8	26.2	110.1	115.0	807.2
Depreciation and amortization	22.3	11.5	12.5	5.7	6.8	58.8
Other segment items [5]	1.4	4.3	5.2	—	—	10.9
Operating income (Loss)	**$ 142.9**	**$ (4.1)**	**$ (16.1)**	**$ 6.4**	**$ (113.9)**	**$ 15.2**
Interest income (expense), net						(11.2)
Other components of net periodic benefit (cost)						(1.3)
Loss on sale of investments						(17.2)
Gain on sale and leaseback transactions						99.7
Earnings (loss) before income taxes						**$ 85.2**
Other segment disclosures:						
Segment assets	$ 579.6	$ 234.1	$ 246.4	$ 246.8	$ 421.2	$ 1,728.1
Long-lived asset additions	5.4	0.1	1.4	14.9	13.4	35.2

(1) The *Entertainment* segment includes the operations of 9 Story Media Group Inc. as acquired on June 20, 2024 ("9 Story"), and Scholastic Entertainment Inc. ("SEI").

(2) Overhead includes all domestic corporate amounts not allocated to segments, including expenses and costs related to the management of corporate assets and rental income related to leased space in the Company's headquarters. As a result of the sale and leaseback transactions completed during the third quarter of fiscal 2026, the Company no longer owns the underlying leasable space. Refer to Note 4, "Sale and Leaseback Transactions", and Note 11, "Leases", for further details.

(3) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM.

(4) Selling, general and administrative expenses includes equity in the net income of investees accounted for by the equity method of less than $0.1 within the *Entertainment* segment and $0.3 within the *International* segment.

(5) Other segment items include asset impairments and write downs.

	2025					
	Children's Book Publishing and Distribution	Education	Entertainment [1]	International	Overhead [2]	Consolidated
Revenues	$ 963.9	$ 309.8	$ 61.0	$ 279.6	$ 11.2	$ 1,625.5
Cost of goods sold [3]	410.2	122.8	33.4	159.3	(6.9)	718.8
Selling, general and administrative expenses [3][4]	399.7	169.5	27.6	114.2	111.3	822.3
Depreciation and amortization	22.7	10.6	11.6	6.0	14.8	65.7
Other segment items [5]	0.6	0.6	0.5	1.1	0.1	2.9
Operating income (Loss)	**$ 130.7**	**$ 6.3**	**$ (12.1)**	**$ (1.0)**	**$ (108.1)**	**$ 15.8**
Interest income (expense), net						(16.0)
Other components of net periodic benefit (cost)						(1.1)
Earnings (loss) before income taxes						**$ (1.3)**
Other segment disclosures:						
Segment assets	$ 604.5	$ 245.8	$ 256.6	$ 269.1	$ 574.1	$ 1,950.1
Long-lived asset additions	12.3	0.9	0.3	3.9	14.7	32.1

(1) The *Entertainment* segment includes the operations of 9 Story Media Group Inc. as acquired on June 20, 2024 ("9 Story"), and Scholastic Entertainment Inc. ("SEI").

(2) Overhead includes all domestic corporate amounts not allocated to segments, including expenses and costs related to the management of corporate assets and rental income related to leased space in the Company's headquarters.

(3) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM.

(4) Selling, general and administrative expenses includes equity in the net income of investees accounted for by the equity method of $0.2 within the *Entertainment* segment and $0.3 within the *International* segment.

(5) Other segment items include asset impairments and write downs.

	2024					
	Children's Book Publishing and Distribution	Education	Entertainment [1]	International	Overhead [2]	Consolidated
Revenues	$ 953.3	$ 351.2	$ 1.9	$ 273.6	$ 9.7	$ 1,589.7
Cost of goods sold [3]	412.0	137.6	0.1	162.2	(6.8)	705.1
Selling, general and administrative expenses [3][4]	393.2	179.0	12.7	111.7	106.4	803.0
Depreciation and amortization	24.3	12.7	0.3	5.5	14.3	57.1
Other segment items [5]	0.5	6.1	—	1.1	2.3	10.0
Operating income (Loss)	**$ 123.3**	**$ 15.8**	**$ (11.2)**	**$ (6.9)**	**$ (106.5)**	**$ 14.5**
Interest income (expense), net						2.7
Other components of net periodic benefit (cost)						(1.0)
Earnings (loss) before income taxes						**$ 16.2**
Other segment disclosures:						
Segment assets	$ 555.7	$ 242.0	$ 9.4	$ 256.0	$ 608.1	$ 1,671.2
Long-lived asset additions	18.2	0.0	—	2.6	14.9	35.7

(1) The *Entertainment* segment includes the operations of 9 Story Media Group Inc. as acquired on June 20, 2024 ("9 Story"), and Scholastic Entertainment Inc. ("SEI"). SEI was reported in the *Children's Book Publishing and Distribution* segment in prior years. The financial results for SEI for fiscal 2024 have been reclassified to *Entertainment* to reflect this change.

(2) Overhead includes all domestic corporate amounts not allocated to segments, including expenses and costs related to the management of corporate assets and rental income related to leased space in the Company's headquarters.

(3) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM.

(4) Selling, general and administrative expenses includes equity in the net income of investees accounted for by the equity method of $0.5 within the *International* segment.

(5) Other segment items include asset impairments and write downs.

The following table presents geographic information for revenues for the three fiscal years ended May 31. Revenues are attributed to locations based on the origin of sale.

	2026	2025	2024
United States	$ 1,206.6	$ 1,243.4	$ 1,265.8
International	375.3	382.1	323.9
Total Revenues	**$ 1,581.9**	**$ 1,625.5**	**$ 1,589.7**

The following table presents geographic information for long-lived assets for the three fiscal years ended May 31. Long-lived assets consist of property, plant and equipment, net, excluding capitalized software.

	2026	2025	2024
United States [1]	$ 102.6	$ 431.7	$ 430.5
International	46.6	32.8	26.8
Total Long-lived assets	**$ 149.2**	**$ 464.5**	**$ 457.3**

(1) During fiscal 2026, the Company sold the building and land associated with its headquarters in New York City and its primary distribution facility in Jefferson City, Missouri. Refer to Note 4, "Sale and Leaseback Transactions", for further details.

4. SALE AND LEASEBACK TRANSACTIONS

On December 17, 2025, the Company completed the sale of its headquarters location at 555-557 Broadway in New York, New York (SoHo) for a sales price of $386.0 and its primary distribution facility in Jefferson City, Missouri for a sales price of $95.0. Concurrent with these sales, the Company entered into a 15-year lease for a portion of its headquarters building ("SoHo lease") and a 20-year lease for the distribution facility ("Jefferson City lease"), both with two 10-year renewal options.

The Company determined that these transactions met the requirements for sale accounting in accordance with *ASC 842, Leases*, and qualified as a sale in accordance with *ASC 606, Revenue from Contracts with Customers,* as control of the assets transferred to the buyer-lessors. The Company concluded that both the sales price and leaseback payments for these transactions were at fair value. The assets related to these properties were included in *Overhead* and had a net carrying value on the date of sale of $352.7. These assets were classified as held for sale as of November 30, 2025. The Company recognized a total pre-tax gain of $99.7 which is included in Gain on sale and leaseback transactions within the Company's Consolidated Statement of Operations for the fiscal year ended May 31, 2026, and pre-tax net proceeds of $452.4, which represents the sales price less transaction costs and buyer-lessor credits.

The following table presents the carrying value of the assets and liabilities by major asset class for each disposal group as of the date of the sale:

	SoHo Headquarters	Jefferson City Distribution Facility	Total
Land	$ 67.9	$ 4.6	$ 72.5
Building and improvements	240.7	10.8	251.5
Furniture, fixtures and equipment	1.0	0.1	1.1
Prepaid expenses and other current assets [1]	2.4	—	2.4
Other assets and deferred charges [1]	25.2	—	25.2
Net Carrying Value	**$ 337.2**	**$ 15.5**	**$ 352.7**

(1) Includes current and noncurrent deferred lease income and deferred lease costs.

ASC 842 provides a practical expedient that permits the combination of lease and non-lease components in the measurement of right-of-use ("ROU") assets and lease liabilities. The practical expedient is applied as an accounting policy election by class of underlying assets. As a result of entering into the SoHo lease, the Company established a new class of underlying assets, corporate headquarters, and elected not to apply the practical expedient for this class. As a result, only the portion of consideration attributed to the lease component is included in the measurement of the related ROU asset and lease liability. The non-lease components included in the SoHo lease, primarily consisting of common-area maintenance, utilities, insurance, real estate taxes and other operating costs, were estimated using

historical cost information from the period in which the Company owned and operated the building prior to entering into the lease. The Company believes that these historical operating costs reasonably approximate the expected stand-alone prices of the non-lease components under the new lease arrangement.

The SoHo and Jefferson City leases are classified as operating leases in accordance with *ASC 842*. The initial annual base rent for the SoHo lease is $11.7, excluding estimated non-lease components, and escalates approximately 4% annually. The initial annual base rent for the Jefferson City lease is $6.9 and escalates 1% to 4% annually based on the Consumer Price Index. The Company recorded an initial ROU asset and lease liability related to the SoHo and Jefferson City leases of $113.8 and $62.2, respectively. The operating lease cost associated with these leases is approximately $23.7 annually. The lease measurement is based on the initial lease term as the Company is not reasonably certain to exercise the renewal options. The Company used an incremental borrowing rate of 10.4% to measure the lease liabilities. In developing this rate, the Company considered its credit profile, including its higher leverage position at the time of the sale and leaseback transactions, observable market yields on secured and unsecured borrowings, interest-rate spreads for comparable companies and transactions, and the longer lease terms. Refer to Note 11, Leases, for further details regarding the impact of these transactions.

5. ASSET WRITE DOWN

During fiscal 2026, the Company identified certain assets that were not recoverable. The estimated future cash flows related to these assets were impacted by the Company's decision to no longer sell the related products or the Company ceased development activities for the related products and television programs. The assets consisted of $4.9 of investment in film and television programs and other production costs included in the *Entertainment* segment, $4.3 of prepublication costs included in the *Education* segment, and $0.8 of capitalized costs related to cloud computing arrangements included within the *Children's Book Publishing and Distribution* segment. The Company also identified $0.6 of inventory within the *Children's Book Publishing and Distribution* segment that was not recoverable as a result of a warehouse fire. Refer to Note 7, Commitments and Contingencies for further details. In addition, the Company identified indicators of impairment related to its 12% ownership interest in a children's book publishing business located in the UK as the business has been wound down. This investment had a carrying value of $0.3 and was included in the *Entertainment* segment. The Company performed an assessment and concluded the investment was not recoverable. Accordingly, the Company recognized total impairment charges of $10.9 which was included in Asset impairments and write downs within the Company's Consolidated Statement of Operations for the fiscal year ended May 31, 2026. The related impact of the impairments was a loss per basic and diluted share of Class A and Common Stock of $0.35 and $0.34, respectively, in the twelve months ended May 31, 2026.

During fiscal 2025, the Company identified certain digital products that were not recoverable. The estimated future cash flows related to these assets were impacted by the Company's decision to no longer sell the related products. The assets consisted of prepublication costs of which $0.6 were included within the *Children's Book Publishing and Distribution* segment and $0.6 were included within the *Education* segment. The Company also identified assets of $1.1 that were not recoverable as a result of the reorganization in China. These assets consisted primarily of inventory and were included within the *International* segment. In addition, the Company ceased use of certain leased office space in the U.S., Canada and Ireland as part of the Company's efforts to rightsize its real estate footprint to reduce occupancy costs. The Company recognized an impairment expense related to the right-of-use (ROU) assets associated with the operating leases of which $0.5 was included within the *Entertainment* segment and $0.1 was included in *Overhead.* Accordingly, the Company recognized a total impairment charge of $2.9 which was included in Asset impairments and write downs within the Company's Consolidated Statement of Operations for the fiscal year ended May 31, 2025. The related impact of the impairments was a loss per basic and diluted share of Class A and Common Stock of $0.08 in the twelve months ended May 31, 2025.

During fiscal 2024, the Company identified certain education products that were not recoverable. The estimated future cash flows related to these assets were impacted by the shift to evidence-based approaches to literacy instruction within the education market. The assets consisted primarily of prepublication costs and amortizable intangible assets and were included within the *Education* segment. Accordingly, the Company recognized an impairment charge of $6.1 which was included in Asset impairments and write downs within the Company's Consolidated Statement of Operations for the fiscal year ended May 31, 2024. In addition, during fiscal 2024, the Company ceased use of certain leased office space in the U.S. and Canada as part of the Company's efforts to rightsize its real estate footprint to reduce occupancy costs. A total impairment expense of $3.9 was recognized during fiscal 2024 which was included in Asset impairments and write downs within the Company's Consolidated Statement of Operations for the fiscal year ended May 31, 2024. A right-of-use (ROU) asset of $2.3 was related to leased office space in New York City and included in *Overhead*, $1.1 was related to leased office space in Canada and included in the *International* segment, and $0.5 was related to leased office space used by the U.S. book fairs business

and included in the *Children's Book Publishing and Distribution* segment. The related impact of the impairments was a loss per basic and diluted share of Class A and Common Stock of $0.25 in the twelve months ended May 31, 2024.

6. DEBT

The following table summarizes the Company's debt, excluding film related obligations, as of May 31:

	Carrying Value	Fair Value	Carrying Value	Fair Value
	2026		2025	
Loan Agreement:				
Revolving loan	$ 75.0	$ 75.0	$ 250.0	$ 250.0
Unsecured lines of credit (weighted average interest rates of 4.2% and 4.5%, respectively)	5.5	5.5	6.2	6.2
Total debt	**$ 80.5**	**$ 80.5**	**$ 256.2**	**$ 256.2**
Less: lines of credit and current portion of long-term debt	(5.5)	(5.5)	(6.2)	(6.2)
Total long-term debt	**$ 75.0**	**$ 75.0**	**$ 250.0**	**$ 250.0**

The following table sets forth the maturities of the carrying values of the Company's debt obligations, excluding film related obligations, as of May 31, 2026 for the twelve month periods ended May 31:

2027	$ 5.5
2028	—
2029	—
2030	75.0
2031	—
Thereafter	—
Total Debt	**$ 80.5**

U.S. Credit Agreement

On November 26, 2024, Scholastic Corporation and its principal operating subsidiary, Scholastic Inc., entered into a Third Amendment to Amended and Restated Credit Agreement (the "Amendment") with a syndicate of banks and Bank of America, N.A., as administrative agent, and Truist Bank and Wells Fargo Bank, National Association, as co-syndication agents (as amended by the Third Amendment, the "Credit Agreement"). The arrangement was accounted for as a debt modification. The revised terms of the amended Credit Agreement include the following:

- an increase in borrowing limits to $400.0 from $300.0, as amended on October 27, 2021;
- an increase in the interest pricing margins for SOFR loans to a range of 1.625% to 1.875% from a range of 1.35% to 1.75% and for Base Rate loans to a range of 0.625% to 0.875% from a range of 0.35% to 0.75%;
- the elimination of the credit spread adjustment of 0.10% applicable to Term SOFR loans; and
- the extension of the maturity date to November 26, 2029.

The Company incurred debt issuance costs of $1.6 in connection with the Amendment which are amortized over the term of the Credit Agreement. The current portion of these costs is recorded within Prepaid expenses and other current assets and the noncurrent portion is recorded within Other assets and deferred charges on the Company's Consolidated Balance Sheets.

The Credit Agreement provides for a $400.0 unsecured revolving credit facility and allows the Company to borrow, repay or prepay and reborrow at any time prior to the November 26, 2029 maturity date. The Credit Agreement also provides an unlimited basket for permitted payments of dividends and other distributions in respect of capital stock so long as the Corporation's pro forma Consolidated Net Leverage Ratio, as defined in the Credit Agreement, is not in excess of 2.75:1.

Under the Credit Agreement, interest on (i) Base Rate Advances (as defined in the Credit Agreement) is due and payable in arrears quarterly on the last day of each February, May, August and November, and (ii) Term SOFR Advances

(as defined in the Credit Agreement) is due and payable in arrears on the last day of the interest period (defined as the period commencing on the date of the advance and ending on the last day of the period selected by the Borrowers at the time each advance is made). The interest pricing under the Credit Agreement is dependent upon the Company's election of a rate that is either:

- a Base Rate Advance equal to the higher of (i) the prime rate, (ii) the prevailing Federal Funds rate plus 0.50% or (iii) the Term SOFR Rate plus 1.00% plus, in each case, an applicable margin ranging from 0.625% to 0.875%, as determined by the Company's prevailing Consolidated Net Leverage Ratio (as defined in the Credit Agreement);

-or-

- a Term SOFR Advance equal to the Term SOFR rate plus an applicable margin ranging from 1.625% to 1.875%, as determined by the Company's prevailing Consolidated Net Leverage Ratio (as defined in the Credit Agreement).

As of May 31, 2026, the applicable margin on Base Rate Advances was 0.625% and the applicable margin on SOFR Advances was 1.625%.

The Credit Agreement provides for payment of a commitment fee in respect of the aggregate unused amount of revolving credit commitments ranging from 0.20% to 0.30% per annum based upon the Corporation's then prevailing Consolidated Net Leverage Ratio. As of May 31, 2026, the commitment fee rate was 0.20%.

A portion of the revolving credit facility, up to a maximum of $50.0, is available for the issuance of letters of credit. In addition, a portion of the revolving credit facility, up to a maximum of $15.0, is available for swingline loans. The Credit Agreement has an accordion feature which permits the Company, provided certain conditions are satisfied, to increase the facility by up to an additional $150.0.

As of May 31, 2026, the Company had outstanding borrowings of $75.0 under the Credit Agreement at a weighted average interest rate of 5.2%. While this obligation is not due until the November 26, 2029 maturity date, the Company may, from time to time, make payments to reduce this obligation when cash from operations becomes available for this purpose. As of May 31, 2025, the Company had borrowings of $250.0 under the Credit Agreement at a weighted average interest rate of 6.1%.

The Credit Agreement contains certain financial covenants related to leverage and interest coverage ratios (as defined in the Credit Agreement), limitations on the amount of dividends and other distributions, and other limitations on fundamental changes to the Company or its business. The Company was in compliance with required covenants for all periods presented.

At May 31, 2026, the Company had open standby letters of credit totaling $5.4 issued under certain credit lines, including $0.4 under the Credit Agreement and $5.0 under the domestic credit lines discussed below.

Unsecured Lines of Credit

As of May 31, 2026, the Company's domestic credit lines available under unsecured money market bid rate credit lines totaled $10.0. There were no outstanding borrowings under these credit lines as of May 31, 2026 and May 31, 2025. As of May 31, 2026, availability under these unsecured money market bid rate credit lines totaled $5.0, excluding commitments of $5.0. All loans made under these credit lines are at the sole discretion of the lender and at an interest rate and term agreed to at the time each loan is made, but not to exceed 365 days. These credit lines may be renewed, if requested by the Company, at the option of the lender.

As of May 31, 2026, the Company had various local currency international credit lines totaling $26.1, underwritten by banks primarily in the United States and the United Kingdom. Outstanding borrowings under these facilities were $5.5 at May 31, 2026 at a weighted average interest rate of 4.2%, compared to outstanding borrowings of $6.2 at May 31, 2025 at a weighted average interest rate of 4.5%. As of May 31, 2026, the amounts available under these facilities totaled $20.6. These credit lines are typically available for overdraft borrowings or loans up to 364 days and may be renewed, if requested by the Company, at the sole option of the lender.

Film Related Obligations

The Company's entertainment business enters into credit facilities with third-party banks to obtain interim financing for certain productions. The interim production credit facilities are secured by an assignment and direction of specific production financing including tax credits and license contract receivables and are due on demand. As of May 31, 2026, interest is charged at the following rates:

- the bank prime rate plus a margin ranging from 0.50% to 0.75% for Canadian dollar loans;
- SOFR plus a margin of 3.00% for U.S. dollar loans; and
- Euribor plus a margin of 2.00% for Euro loans.

As of May 31, 2026, outstanding borrowings under these facilities were $17.1 at a weighted average interest rate of 5.2%. As of May 31, 2025, outstanding borrowings under these facilities were $18.3 at a weighted average interest rate of 6.2%.

7. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

The following table sets forth the aggregate minimum future contractual commitments at May 31, 2026 relating to royalty advances and minimum print quantities for the fiscal years ending May 31:

	Royalty Advances	Minimum Print Quantities
2027	$ 20.1	$ 0.4
2028	7.2	0.7
2029	5.0	0.3
2030	2.7	0.3
2031	1.0	—
Thereafter	1.6	—
Total commitments	**$ 37.6**	**$ 1.7**

The Company had open standby letters of credit of $5.4 and $4.0 issued under certain credit lines as of May 31, 2026 and May 31, 2025, respectively, in support of its insurance programs. These letters of credit are scheduled to expire within one year; however, the Company expects that substantially all of these letters of credit will be renewed, at similar terms, prior to their expiration.

Contingencies

Legal Matters

Various claims and lawsuits arising in the normal course of business are pending against the Company. The Company accrues a liability for such matters when it is probable that a liability has occurred and the amount of such liability can be reasonably estimated. When only a range can be estimated, the most probable amount in the range is accrued unless no amount within the range is a better estimate than any other amount, in which case the minimum amount in the range is accrued. Legal costs associated with litigation are expensed in the period in which they are incurred. The Company does not expect, in the case of those various claims and lawsuits arising in the normal course of business where a loss is considered probable or reasonably possible, that the reasonably possible losses from such claims and lawsuits (either individually or in the aggregate) would have a material adverse effect on the Company’s consolidated financial position or results of operations.

The Company is a potential claimant in a class action settlement related to alleged copyright infringement. The proposed settlement, which is subject to final court approval and completion of the claims administration process, provides for the distribution of a settlement fund to eligible copyright holders. As of May 31, 2026, the Company has not recorded any receivable related to this matter, as realization of any proceeds is not yet considered both probable and reasonably estimable. The amount and timing of any potential recovery are subject to significant uncertainty, including the outcome of final court approval, the number of valid claims submitted by other claimants, and the final allocation of settlement proceeds. The Company will recognize any proceeds upon receipt.

The Company also expects to receive additional recoveries from its insurance programs related to an intellectual property legal settlement accrued during fiscal 2021, however, it is premature to determine with any level of probability or accuracy the amount of those recoveries at this time.

Other Matters

Tariffs
As a result of a Supreme Court ruling issued in February 2026, the Company may be entitled to a refund of tariffs previously paid on imported products under the International Emergency Economic Powers Act (IEEPA). The Company estimates that approximately $9.0 of its tariff payments are subject to this ruling. As of May 31, 2026, the Company has received $2.8 of refunds related to IEEPA tariffs which were recognized accordingly. The Company has not recognized an asset related to the remaining potential refund. The Company will continue to evaluate new information and will recognize the refund when the right to receive the amount becomes realized or realizable in accordance with ASC 450, Contingencies.

Warehouse Fire
On May 25, 2026, a fire occurred at a book fairs warehouse facility, primarily resulting in damage to inventory. The Company has insurance coverage for property damage and business interruption losses and has filed claims with its insurers. During the year ended May 31, 2026, the Company recognized total losses of $0.6, consisting of inventory write-offs. These losses are included in Asset impairments and write downs in the Consolidated Statements of Operations. As of May 31, 2026, the Company recorded insurance receivables of $0.6 for insurance recoveries deemed probable, not to exceed the related impairment loss recognized. The insurance recoveries are included in Selling, general and administrative expenses in the Consolidated Statements of Operations. The ultimate amount and timing of insurance recoveries, including amounts related to business interruption coverage, remain subject to ongoing negotiations with the Company's insurers. Any additional recoveries will be recognized upon determination that receipt is probable and reasonably estimable.

8. INVESTMENT IN FILM AND TELEVISION PROGRAMS

The Company predominantly monetizes film and television programs on an individual film basis. The following table summarizes investment in film and television programs at May 31:

	2026	2025
Released, net of accumulated amortization	$ 28.9	$ 26.2
Completed and not released	—	—
In production	4.3	6.8
In development	3.7	5.2
Acquired library content [1]	3.1	3.6
Other [2]	0.4	0.3
Investment in Film and Television Programs, net [3]	**$ 40.4**	**$ 42.1**

(1) Acquired library content is monetized individually and amortized on a straight-line basis. At May 31, 2026, the weighted-average remaining amortization period was approximately 6.4 years.
(2) Other primarily consists of third party distribution rights.
(3) Production tax credits reduced total investment in films and television programs by $3.5 and $5.8 as of May 31, 2026 and May 31, 2025, respectively, and resulted in a reduction of Cost of goods sold related to the amortization of investment in films and television programs of approximately $11.8 and $9.5 for the fiscal years ended May 31, 2026 and May 31, 2025, respectively.

Amortization of film and television programs was $11.9 and $9.9 for the fiscal years ended May 31, 2026 and May 31, 2025, respectively, which was included in Cost of goods sold in the Consolidated Statement of Operations.

The following table summarizes estimated future amortization expense for the Company's investment in film and television programs as of May 31, 2026:

	Fiscal year ending May 31,		
	2027	2028	2029
Estimated future amortization expense:			
Released, net of accumulated amortization	$ 4.1	$ 5.8	$ 4.1
Acquired library content	0.5	0.5	0.5

Investment in film and television programs, net includes write-downs to fair value which are included in Cost of goods sold in the Consolidated Statement of Operations. During the fiscal years ended May 31, 2026 and May 31, 2025, the Company recognized write-downs of $0.3 and $0.2, respectively, related to programs in development. In addition, during fiscal 2026, the Company identified certain investment in film and television programs that were not recoverable and recognized an impairment charge of $4.9. Refer to Note 5, "Asset Write Down," for further details.

Participation costs represent amounts payable to parties associated with the film or television program and are based on the performance of the film or television program. The Company estimates participation costs based on the contractual participation percentage on the revenue recognized to date, less participation payments made to date. As of May 31, 2026 and May 31, 2025, accrued participation costs were $9.9 and $7.0, respectively, and were included in Accrued royalties on the Company's Consolidated Balance Sheet.

9. INVESTMENTS

Investments are included in Other assets and deferred charges on the Consolidated Balance Sheets. The following table summarizes the Company's investments for the fiscal years ended May 31:

	2026	2025	Segment
Equity method investments	$ —	$ 33.6	**International**
Equity method and other investments	5.8	6.4	**Entertainment**
Total investments	**$ 5.8**	**$ 40.0**	

On May 19, 2026, the Company sold its 26.2% equity interest in a children's book publishing business located in the UK for a sale price of $20.2. This investment was accounted for using the equity method of accounting and equity method income from this investment was reported in the *International* segment. The carrying value of the investment at the time of sale was approximately $33.9. The Company recognized a loss of $17.2 on the sale of the investment during the fiscal year ended May 31, 2026, which included the reclassification of the related cumulative translation adjustment of $3.5 from Accumulated Other Comprehensive Income (Loss) to earnings. The loss is included in Loss on sale of investment in the Consolidated Statements of Operations.

During fiscal 2026, the Company determined that its 12% ownership interest in a children's book publishing business located in the UK, which was accounted for using the cost method of accounting, was not recoverable and recognized an impairment charge for the carrying value of $0.3. Refer to Note 5, "Asset Write Down," for further details.

The Company has a 4.6% ownership interest in a financing and production company that makes film, television, and digital programming designed for the youth market. This equity investment does not have a readily determinable fair value and the Company has elected to apply the measurement alternative and report this investment at cost, less impairment, on the Company's Consolidated Balance Sheets. During fiscal 2026, the Company received a $0.3 return of capital related to this investment, which reduced the carrying value to $5.7 as of May 31, 2026. The Company also has a 50% ownership interest in certain animated television production companies which is accounted for using the equity method of accounting. These investments are included in the *Entertainment* segment.

Income from equity investments reported in Selling, general and administrative expenses in the Consolidated Statements of Operations totaled $0.3 for the year ended May 31, 2026, $0.5 for the year ended May 31, 2025 and $0.5 for the year ended May 31, 2024. No dividends were received in the fiscal years ended May 31, 2026 and May 31, 2025. The Company received dividends of $1.3 for the year ended May 31, 2024.

10. PROPERTY, PLANT AND EQUIPMENT

The following table summarizes the major classes of assets at cost and accumulated depreciation for the fiscal years ended May 31:

	2026	2025
Land	$ 5.7	$ 81.4
Buildings	19.1	233.3
Capitalized software	289.9	273.8
Furniture, fixtures and equipment	230.2	244.5
Building and leasehold improvements	25.3	239.6
Construction in progress	37.6	30.8
Total at cost	**$ 607.8**	**$ 1,103.4**
Less: Accumulated depreciation and amortization	(406.2)	(587.1)
Property, plant and equipment, net	**$ 201.6**	**$ 516.3**

During fiscal 2026, the Company sold the building and land associated with its headquarters in New York City and its primary distribution facility in Jefferson City, Missouri. Refer to Note 4, "Sale and Leaseback Transactions", for further details.

Included in Other assets and deferred charges	2026	2025
Capitalized cloud computing arrangements, net	$ 49.8	$ 51.4

Depreciation and amortization expense related to property, plant, and equipment was $47.5, $54.5 and $54.5 for the fiscal years ended May 31, 2026, 2025 and 2024, respectively. Amortization expense related to cloud computing arrangements was $10.4, $9.9 and $7.4 for the fiscal years ended May 31, 2026, 2025 and 2024, respectively.

11. LEASES

The following table summarizes right-of-use assets and lease liabilities recorded on the Company's Consolidated Balance Sheet for the fiscal years ended May 31, 2026 and May 31, 2025:

	May 31, 2026	May 31, 2025	Location within Consolidated Balance Sheet
Operating leases	$ 291.2	$ 103.9	Operating lease right-of-use assets, net
Finance leases	14.1	6.0	Property, plant and equipment, net
Total lease assets	**$ 305.3**	**$ 109.9**	
Operating leases:			
Current portion	$ 26.4	$ 26.8	Operating lease liabilities, current
Noncurrent portion	280.6	91.5	Operating lease liabilities, noncurrent
Total operating lease liabilities	**$ 307.0**	**$ 118.3**	
Finance leases:			
Current portion	$ 3.2	$ 1.7	Other accrued expenses
Noncurrent portion	11.7	4.9	Other noncurrent liabilities
Total finance lease liabilities	**$ 14.9**	**$ 6.6**	
Total lease liabilities	**$ 321.9**	**$ 124.9**	

During fiscal 2026, the Company sold its headquarters in New York City and its primary distribution facility in Jefferson City, Missouri, and concurrently entered into a 15-year lease for a portion of its headquarters building and a 20-year lease for the distribution facility. These leases are classified as operating leases in accordance with *ASC 842*. Refer to Note 4, "Sale and Leaseback Transactions", for further details.

As part of the Company's efforts to rightsize its real estate footprint to reduce occupancy costs, the Company recognized pretax impairment charges of $0.6 and $3.9 for the fiscal years ended May 31, 2025 and 2024, respectively, related to operating lease right-of-use assets in connection with the early exit of certain leased office space. Refer to Note 5, "Asset Write Down", for further discussion regarding the impairment. The Company did not recognize any lease impairment charges during fiscal 2026.

The following table summarizes the lease expense activity for the fiscal years ended May 31:

	2026	2025	2024	Location within Consolidated Statements of Operations
Operating lease expense	$ 43.6	$ 31.7	$ 29.7	Selling, general and administrative expenses
Finance lease costs :				
Depreciation of leased assets	2.1	1.4	2.1	Depreciation and amortization
Accretion of lease liabilities	0.7	0.6	0.3	Interest expense
Total lease expense	**$ 46.4**	**$ 33.7**	**$ 32.1**	

The following table summarizes certain cash flows information related to the Company's leases for the fiscal years ended May 31:

	2026	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 41.9	$ 28.6	$ 30.2
Operating cash flows from finance leases	0.7	0.6	0.3
Financing cash flows from finance leases	2.1	1.7	2.3
Noncash transactions:			
Lease assets obtained in exchange for new lease liabilities	$ 217.6	$ 25.0	$ 40.4

The following table provides the maturities of the Company's lease liabilities recorded on the Company's Consolidated Balance Sheet for the fiscal year ended May 31, 2026:

	Operating Leases	Finance Leases
Fiscal 2027	$ 49.4	$ 3.9
Fiscal 2028	48.6	3.2
Fiscal 2029	41.4	2.7
Fiscal 2030	36.9	2.4
Fiscal 2031	35.5	2.2
Thereafter	335.5	2.8
Total lease payments	**$ 547.3**	**$ 17.2**
Less: interest	(240.3)	(2.3)
Total lease liabilities	**$ 307.0**	**$ 14.9**

The following table summarizes the weighted-average remaining lease terms and weighted-average discount rates related to the Company's leases recorded on the Company's Consolidated Balance Sheets for the fiscal years ended May 31, 2026 and May 31, 2025:

	2026	2025
Weighted-average remaining lease term (years):		
Operating Leases	11.5	5.3
Finance Leases	5.8	4.5
Weighted-average discount rate:		
Operating Leases	8.3 %	5.6 %
Finance Leases	5.2 %	5.0 %

Prior to the sale and leaseback transactions that occurred in December 2025, the Company owned leasable space in its headquarters in SoHo, New York City. The Company recognized rental income of $7.2, $11.2 and $9.7 for the fiscal years ended May 31, 2026, 2025, and 2024, respectively.

12. ACQUISITIONS

9 Story Acquisition

On June 20, 2024, the Company completed the acquisition of 100% of the economic interest in the form of non-voting shares and 25% of the voting shares of 9 Story, a leading independent creator, producer and distributor of premium children's content based in Toronto, Canada, with studios or offices in New York, United States, Dublin, Ireland and Bali, Indonesia. The aggregate purchase price was $193.7 and was funded through borrowings under the U.S. Credit Agreement incurred during the first quarter of fiscal 2025. The acquisition of 9 Story further enhances the Company's development, production and licensing interests, expanding opportunities to leverage its brand and best-selling publishing and global children's franchises across print, screen and merchandising.

Pursuant to ASC Topic 810, *Consolidation*, 9 Story was determined to be a variable interest entity (VIE) and the Company was determined to be its primary beneficiary and therefore obtained a controlling financial interest over 9 Story. Accordingly, 9 Story has been consolidated into the Company's financial results. The operations of 9 Story are reported in the *Entertainment* segment.

9 Story met the definition of a business pursuant to ASC 805, *Business Combinations*, and the acquisition was accounted for as a business combination under the acquisition method of accounting. The Company estimated the fair value of acquired assets and liabilities as of the date of acquisition based on currently available information.

The following table summarizes the purchase price allocation of fair values of the assets acquired and liabilities assumed at the date of acquisition:

Cash and cash equivalents	$	17.5
Accounts receivable		14.8
Investment in film and television programs		42.9
Property, plant and equipment		6.1
Operating lease right-of-use assets		6.1
Other Intangible assets:		
Existing content/IP		16.0
Customer contracts/relationships [(1)]		51.5
Trade names		16.5
Internally developed software		1.3
Tax credit receivable		31.9
Other assets		3.9
Total assets acquired		**208.5**
Accounts payable		2.3
Accrued expenses		16.3
Deferred revenue		9.8
Film related obligations		34.9
Operating lease liabilities		7.7
Other liabilities		8.0
Total liabilities assumed		**79.0**
Fair value of net assets acquired		**129.5**
Goodwill		64.2
Purchase price consideration	**$**	**193.7**

[(1)] Includes $36.7 related to distribution contracts and relationships.

The assets acquired included intellectual property ("IP") related to 9 Story's existing and recognized program titles (including Investment in film and television programs), customer contracts/relationships related to licensing, distribution and service arrangements, the trade names associated with 9 Story and Brown Bag Films, its animation studio, and internally developed software. The intellectual property and customer contracts/relationships were valued using the multi-period excess earnings valuation method and are being amortized over 10 years, with the exception of contracts/relationships for service arrangements which are being amortized over 5 years. The trade names were valued using the relief-from-royalty valuation method and are being amortized over 10 years. The internally developed software was valued using the replacement cost method and is being amortized over 3 years. The Company classified these fair value measurements as Level 3 due to the significant unobservable inputs used in the analyses, such as internally-developed discounted cash flow forecasts. The difference between the purchase price over the net identifiable tangible and intangible assets acquired was allocated to goodwill, which was not deductible for tax purposes. The goodwill balance was primarily attributable to the expected synergies from the business combination and acquired workforce. The goodwill and intangible assets acquired were allocated to the *Entertainment* segment.

The following table summarizes the unaudited pro-forma consolidated results of operations for the fiscal years ended May 31, 2025 and 2024 as if the acquisition had occurred on June 1, 2023, the beginning of fiscal 2024:

		2025		**2024**
Revenues	$	1,631.2	$	1,671.4
Net income (loss)		(3.1)		1.9

The unaudited pro-forma consolidated results above are based on the historical financial statements of the Company and 9 Story and are not necessarily indicative of the results of operations that would have been achieved if the acquisition was completed at the beginning of fiscal 2024 and are not indicative of the future operating results of the combined entities. The financial information for 9 Story prior to the acquisition includes certain adjustments to 9 Story's historical consolidated financial statements to align with U.S. GAAP and the Company's accounting policies. The pro-forma consolidated results of operations also include the effects of purchase accounting adjustments, including amortization charges related to the finite-lived intangible assets acquired, fair value adjustments relating to leases and fixed assets, and the related tax effects assuming that the business combination occurred on June 1, 2023.

Purchase of Noncontrolling Interest

On June 1, 2023, the Company acquired the remaining shares of Make Believe Ideas Limited, a UK-based children's book publishing company, for $2.1, increasing the Company's total ownership from 95.0% to 100%. The acquisition was accounted for as an equity transaction as there was no change in control. The carrying value of the noncontrolling interest at the acquisition date was $1.6. The difference between the fair value of consideration paid and the carrying value was recognized as an adjustment to Additional paid-in capital of $0.5.

13. GOODWILL AND OTHER INTANGIBLES

The Company assesses goodwill and other intangible assets with indefinite lives for impairment annually or more frequently if indicators arise. The Company monitors impairment indicators in light of changes in market conditions, near and long-term demand for the Company's products and other relevant factors.

The following table summarizes the activity in Goodwill for the fiscal years ended May 31:

	2026	2025
Gross beginning balance	$ 238.5	$ 172.4
Accumulated impairment	(39.6)	(39.6)
Beginning balance	**$ 198.9**	**$ 132.8**
Additions	—	64.2
Foreign currency translation	0.5	1.9
Gross ending balance	239.0	238.5
Accumulated impairment	(39.6)	(39.6)
Ending balance	**$ 199.4**	**$ 198.9**

In fiscal 2025, the Company completed the 9 Story acquisition which resulted in the recognition of $64.2 of Goodwill included in the *Entertainment* segment. Refer to Note 12, "Acquisitions", for further details regarding the acquisition.

There were no impairment charges related to Goodwill in any of the periods presented.

The following table presents Goodwill by segment as of May 31:

	2026	2025
Children's Book Publishing and Distribution	$ 47.4	$ 47.4
Education	75.7	75.7
Entertainment	66.2	65.7
International	10.1	10.1
Total	**$ 199.4**	**$ 198.9**

The following table summarizes the activity in other intangibles included in Other intangible assets, net on the Company's Financial Statements for the fiscal years ended May 31:

	2026	2025
Other intangibles subject to amortization - beginning balance	$ 85.8	$ 8.2
Additions	—	85.3
Amortization expense	(11.3)	(11.2)
Foreign currency translation	1.3	3.5
Total other intangibles subject to amortization, net of accumulated amortization of $61.6 and $50.3, respectively	**$ 75.8**	**$ 85.8**
Total other intangibles not subject to amortization	2.1	2.1
Total other intangibles	**$ 77.9**	**$ 87.9**

During fiscal 2025, the Company completed the 9 Story acquisition which resulted in the recognition of $85.3 of amortizable intangible assets. Refer to Note 12, "Acquisitions", for further details regarding the acquisition.

Amortization expense for Other intangibles totaled $11.3, $11.2 and $2.6 for the fiscal years ended May 31, 2026, 2025 and 2024, respectively.

The following table reflects the estimated amortization expense for intangibles for future fiscal years ending May 31:

2027	$ 11.3
2028	10.8
2029	10.7
2030	9.0
2031	8.9
Thereafter	25.1

Intangible assets with indefinite lives consist principally of trademark and trade name rights. Intangible assets with definite lives consist principally of customer lists, customer contracts/relationships, intellectual property, trade names and internally developed software. Intangible assets with definite lives are amortized over their estimated useful lives. The weighted-average remaining useful lives of all amortizable intangible assets is approximately 7.5 years.

14. TAXES

The components of Earnings (loss) before income taxes for the fiscal years ended May 31 were:

	2026	2025	2024
United States	$ 81.6	$ 1.0	$ 17.3
Non-United States	3.6	(2.3)	(1.1)
Total	**$ 85.2**	**$ (1.3)**	**$ 16.2**

The provision (benefit) for income taxes for the fiscal years ended May 31 consisted of the following components:

	2026	2025	2024
Current			
Federal	$ 10.9	$ 6.3	$ 3.4
State and local	11.2	1.3	1.2
Non-United States	4.4	2.7	1.5
Total Current	**$ 26.5**	**$ 10.3**	**$ 6.1**
Deferred			
Federal	$ 2.8	$ (9.1)	$ 0.5
State and local	(3.3)	(0.4)	(1.3)
Non-United States	2.5	(0.2)	(1.2)
Total Deferred	**$ 2.0**	**$ (9.7)**	**$ (2.0)**
Total Current and Deferred	**$ 28.5**	**$ 0.6**	**$ 4.1**

Effective Tax Rate Reconciliation

In accordance with the prospective adoption of ASU 2023-09, the following table presents a reconciliation of the U.S. federal statutory income tax rate to the effective income tax rate for the fiscal year ended May 31, 2026, including both rate and dollar amount information:

	Amount	Rate
U.S. federal statutory income tax rate	$ 17.9	21.0 %
State and local income tax, net of federal income tax benefit [1]	6.6	7.8
Foreign tax effects		
Australia		
Sale of equity method investment	4.1	4.8
Permanent differences	(1.3)	(1.5)
Other	(0.7)	(0.8)
Canada		
Foreign tax rate differential	1.0	1.2
Other	1.0	1.2
Other foreign jurisdictions	1.8	2.1
Tax credits		
Research and development tax credit	(1.2)	(1.4)
Foreign tax credit	(1.2)	(1.4)
Changes in unrecognized tax benefits	1.4	1.6
Effect of cross-border tax laws	0.0	0.0
Global intangible low-taxed income	2.8	3.3
FDII	(2.8)	(3.3)
Nontaxable or nondeductible items		
Charitable contributions	(0.9)	(1.1)
Equity and other compensation	(1.0)	(1.1)
Section 162(m) limitation	2.1	2.5
Sale of equity method investment	(1.1)	(1.3)
Other federal tax adjustments	(1.0)	(1.1)
Other nontaxable or nondeductible items	1.0	0.9
Effective income tax rate	**$ 28.5**	**33.4 %**

[1] State and local taxes in New York, New York City, and California represented the majority (greater than 50 percent) of the tax effect in this category.

Prior to the adoption of ASU 2023-09, the following table presents a reconciliation of the U.S. federal statutory income tax rate to the effective income tax rate for the fiscal years ended May 31:

	2025	2024
Computed federal statutory provision	21.0 %	21.0 %
State income tax provision, net of federal income tax benefit	(66.5)	(3.0)
Difference in effective tax rates on earnings of foreign subsidiaries	(61.4)	(0.1)
GILTI inclusion	—	0.1
Various tax credits	62.1	(6.6)
Valuation allowances, excluding state	93.8	2.9
Uncertain positions	40.7	0.4
Transaction costs	—	12.0
Equity and other compensation	51.6	(3.7)
Section 162(m) limitation	(83.5)	6.0
Return to provision and other adjustments	(132.8)	(5.1)
Permanent differences	29.0	1.3
Other, net	(0.2)	0.1
Effective tax rates	**(46.2)%**	**25.3 %**
Total provision (benefit) for income taxes	**$ 0.6**	**$ 4.1**

The following table presents cash paid for income taxes, net of refunds received, by jurisdiction for the fiscal year ended May 31, 2026:

Federal	$ 30.7
State	
New York	2.5
Other	7.5
Other foreign jurisdictions	2.7
Total cash paid for income taxes, net of refunds received	**$ 43.4**

Unremitted Earnings

The Company assesses foreign investment levels periodically to determine if all or a portion of the Company's investments in foreign subsidiaries are indefinitely invested. The Company is permanently reinvested in certain foreign subsidiaries representing a portion of the Company's investments in foreign subsidiaries. Any required adjustment to the income tax provision would be reflected in the period that the Company changes this assessment. As of May 31, 2026, there have been no adjustments to the income tax provision related to unremitted earnings.

Deferred Taxes

The significant components for deferred income taxes for the fiscal years ended May 31 were as follows:

	2026	2025
Deferred tax assets:		
Tax uniform capitalization	$ 12.8	$ 12.2
Prepublication expenses	3.9	3.0
Inventory reserves	19.2	21.8
Allowance for credit losses	2.0	1.8
Deferred revenue	6.1	6.2
Stock based compensation	4.6	5.9
Other reserves	5.2	4.4
Postretirement, post employment and pension obligations	1.6	1.6
Tax carryforwards	30.5	32.4
Lease liabilities	76.5	27.7
Other	13.5	15.0
Gross deferred tax assets	**$ 175.9**	**$ 132.0**
Valuation allowance	(21.6)	(17.1)
Total deferred tax assets	**$ 154.3**	**$ 114.9**
Deferred tax liabilities:		
Depreciation and amortization	(35.4)	(53.9)
Lease right-of-use assets	(73.0)	(24.4)
Research and development costs capitalized	(20.6)	(8.3)
Other	(2.0)	(3.7)
Total deferred tax liabilities	**$ (131.0)**	**$ (90.3)**
Total net deferred tax assets [1]	**$ 23.3**	**$ 24.6**

[1] Total net deferred tax assets include $8.5 and $10.1 as of May 31, 2026 and May 31, 2025, respectively, of deferred tax liabilities that were recorded in Other noncurrent liabilities on the Company's Consolidated Balance Sheet primarily due to foreign jurisdictions that cannot be netted.

The Company regularly assesses the realizability of deferred tax assets considering all available evidence including, to the extent applicable, the nature, frequency and severity of prior cumulative losses, forecasts of future taxable income, tax filing status, duration of statutory carryforward periods, tax planning strategies and historical experience. For the fiscal year ended May 31, 2026, the valuation allowance increased by $4.5, primarily due to state net operating losses not expected to be realized. For the fiscal year ended May 31, 2025, the valuation allowance decreased by $2.8.

The Company has gross federal, state and foreign net operating loss carryforwards of $0.9, $95.2 and $87.3, respectively, and tax effected federal, state and foreign net operating loss carryforwards of $0.6, $6.2 and $20.6, respectively, for the fiscal year ended May 31, 2026. In addition, the Company has certain tax carryforwards related to tax credits of $2.3, which have various expiration dates between 2029 and 2035, and charitable contributions of $0.8 for the fiscal year ended May 31, 2026. The federal net operating loss can be carried forward indefinitely, however the deduction is limited to 80% of taxable income in the carryforward year. Certain state net operating loss carryforwards, if not utilized, expire at various times, primarily between fiscal year 2028 and fiscal year 2044. Certain foreign net operating loss carryforwards, if not utilized, also expire at various times. Approximately half of the foreign net operating loss carryforwards expire between fiscal year 2027 and fiscal year 2044 and the remaining carryforwards do not have an expiration date.

Unrecognized tax benefits

The benefits of uncertain tax positions are recorded in the financial statements only after determining a more likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities, in which case such benefits are included in long-term income taxes payable and reduced by the associated federal deduction for state taxes and non-U.S. tax credits. The interest and penalties related to these uncertain tax positions are recorded

as part of the Company's income tax expense and constitute part of Other noncurrent liabilities on the Company's Consolidated Balance Sheets.

The total amount of unrecognized tax benefits at May 31, 2026, 2025, and 2024 were $2.6, excluding $0.3 accrued for interest and penalties, $1.2, excluding $0.3 accrued for interest and penalties, and $1.8, excluding $0.3 accrued for interest and penalties, respectively. Of the total amount of unrecognized tax benefits at May 31, 2026, 2025, and 2024, $2.6, $1.2 and $1.8, respectively, would impact the Company's effective tax rate.

During the years presented, the Company recognized interest and penalties related to unrecognized tax benefits in the provision for taxes in the Consolidated Financial Statements. The Company recognized an expense of $0.1, a benefit of less than $0.1, and an expense of $0.1 for the years ended May 31, 2026, 2025, and 2024, respectively.

The table below presents a reconciliation of the unrecognized tax benefits for the fiscal years indicated:

Gross unrecognized benefits at May 31, 2023	**$**	**2.0**
Decreases related to prior year tax positions		(0.8)
Increase related to prior year tax positions		0.7
Increases related to current year tax positions		0.1
Settlements during the period		(0.2)
Lapse of statute of limitation		—
Gross unrecognized benefits at May 31, 2024	**$**	**1.8**
Decreases related to prior year tax positions		—
Increase related to prior year tax positions		0.1
Increases related to current year tax positions		0.1
Settlements during the period		—
Lapse of statute of limitation		(0.8)
Gross unrecognized benefits at May 31, 2025	**$**	**1.2**
Decreases related to prior year tax positions		—
Increase related to prior year tax positions		1.9
Increases related to current year tax positions		0.1
Settlements during the period		—
Lapse of statute of limitation		(0.6)
Gross unrecognized benefits at May 31, 2026	**$**	**2.6**

Income Tax Returns

The Company, including its domestic subsidiaries, files a consolidated U.S. income tax return, and also files tax returns in various states and other local jurisdictions. Certain foreign subsidiaries also file income tax returns in the jurisdictions in which they operate. The Company is routinely audited by various tax authorities. Tax years relating to fiscal 2021 through 2025 remain subject to examination.

Tax Legislation Updates

The Organization for Economic Co-operation and Development (OECD) has issued Pillar Two model rules introducing a new global minimum tax of 15% on foreign profits of large multinational corporations intended to be effective in 2024. The United States has not yet adopted Pillar Two rules, however, many countries and jurisdictions have agreed to the proposal by the OECD. As part of the Company's ongoing assessment of the OECD's Pillar Two global minimum tax framework, a comprehensive review was conducted of the Company's global tax position to evaluate the potential impact on its effective tax rate. Based on this analysis, the Company determined the impact of Pillar Two to be immaterial to its financial statements.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the United States. The OBBBA includes a number of significant tax provisions, including the permanent extension of certain provisions originally enacted under the Tax Cuts and Jobs Act, such as 100% bonus depreciation, immediate expensing of domestic research and experimental expenditures, and modifications to the limitation on business interest expense deductions. During fiscal 2026, the Company elected to immediately deduct 100% of its qualifying domestic research and experimental

expenditures under Section 174 and utilized 100% bonus depreciation for eligible capital investments. As a result, the enactment of the OBBBA favorably impacted the Company's current-year taxable income and cash taxes.

Non-income Taxes

The Company is subject to tax examinations for sales-based taxes. A number of these examinations are ongoing and, in certain cases, have resulted in assessments from taxing authorities. The Company assesses sales tax contingencies for each jurisdiction in which it operates, considering all relevant facts including statutes, regulations, case law and experience. Where a sales tax liability in respect to a jurisdiction is probable and can be reliably estimated for such jurisdiction, the Company has made accruals for these matters which are reflected in the Company's Consolidated Financial Statements. These amounts are included in the Consolidated Financial Statements in Selling, general and administrative expenses. Future developments relating to the foregoing could result in adjustments being made to these accruals.

15. CAPITAL STOCK AND STOCK-BASED AWARDS

Class A Stock and Common Stock

Capital stock consisted of the following as of May 31, 2026:

	Class A Stock	Common Stock	Preferred Stock
Authorized	3,171,900	70,000,000	2,000,000
Reserved for Issuance	—	4,074,031	—
Outstanding	828,100	17,920,321	—

The only voting rights vested in the holders of Common Stock, except as required by law, are the election of such number of directors as shall equal at least one-fifth of the members of the Board. The Class A Stockholders are entitled to elect all other directors and to vote on all other matters. The Class A Stockholders and the holders of Common Stock are entitled to one vote per share on matters on which they are entitled to vote. The Class A Stockholders have the right, at their option, to convert shares of Class A Stock into shares of Common Stock on a share-for-share basis. With the exception of voting rights and conversion rights, and as to any rights of holders of Preferred Stock if issued, the Class A Stock and the Common Stock are equal in rank and are entitled on the same basis to dividends and distributions when and if declared by the Board.

The Company issues shares of Common Stock from its Treasury stock upon conversion of Class A stock and to meet its share-based payment requirements, net of shares required to be withheld to cover the recipient's tax obligations.

During fiscal 2024, Class A Stockholders surrendered 828,100 shares of Class A Stock for conversion into shares of Common Stock. The surrendered Class A shares were cancelled and cannot be reissued, resulting in 3,171,900 shares authorized and 828,100 shares outstanding.

Preferred Stock

The Company's Preferred Stock may be issued in one or more series, with the rights of each series, including voting rights, to be determined by the Board before each issuance. To date, no shares of Preferred Stock have been issued.

Stock-based awards

At May 31, 2026, the Company maintained four stockholder-approved stock-based compensation plans with regard to the Common Stock:

- Scholastic Corporation 2021 Stock Incentive Plan (the "2021 Plan");
- Scholastic Corporation 2011 Stock Incentive Plan (the "2011 Plan"), under which no further grants can be made;
- Scholastic Corporation 2017 Outside Directors Stock Incentive Plan (the "2017 Directors Plan"); and
- Scholastic Corporation 2007 Outside Directors Stock Incentive Plan (the "2007 Directors Plan"), under which no further grants can be made.

In September 2021, the Class A Stockholders approved the 2021 Plan which provides for the issuance of certain equity awards, including non-qualified stock options, time-vested restricted stock units, performance-based restricted stock units, incentive stock options and other equity awards. The 2021 Plan initially provided for 2,500,000 shares available for issuance pursuant to awards granted or to be granted under the plan.

The 2011 Plan was approved by the Class A Stockholders in September 2011 initially providing for 2,100,000 shares available for issuance for certain equity awards, including non-qualified stock options, time-vested restricted stock units, performance-based restricted stock units, incentive stock options and other equity awards. In September 2014, the Class A Stockholders approved the second amendment to the 2011 Plan increasing the shares available for issuance pursuant to awards granted under the 2011 Plan by 2,475,000 shares. In September 2018, the Class A Stockholders approved the third amendment to the 2011 Plan increasing the shares available for issuance pursuant to awards granted under the 2011 Plan by 2,540,000 shares, providing for a total of 7,115,000 shares available for issuance under the 2011 Plan. No further awards can be granted under the 2011 Plan.

The Company's stock-based awards vest over periods not to exceed four years and the Company's equity plans permit the acceleration of vesting upon retirement for certain eligible employees, as well as for certain other events.

As of May 31, 2026, non-qualified stock options to purchase 650,583 and 953,508 shares of Common Stock were outstanding under the 2021 Plan and the 2011 Plan, respectively. During fiscal 2026, 18,092 options were granted under the 2021 Plan at a weighted average exercise price of $21.38.

At May 31, 2026, 765,527 shares of Common Stock were available for issuance under the 2021 Plan.

In September 2017, the Class A Stockholders approved the 2017 Directors Plan which has 400,000 shares of Common Stock authorized for issuance and provides for the automatic grant to each non-employee director, on the date of each annual meeting of stockholders, of stock options and/or restricted stock units with a value equal to a fixed dollar amount. The total dollar amount, as well as the relative percentage of stock options and restricted stock units, is determined annually by the Board (or Committee designated by the Board) in advance of the grant date. In July 2025, the Board approved the fiscal 2026 grant to each non-employee director, on the date of the 2025 annual meeting of stockholders, having a value, as determined by the Board, of one hundred twenty-five thousand dollars ($125,000), (based on the fair market value on the date of grant), with 100% of such award to be awarded as restricted stock units, such grant to vest in its entirety on the earlier of the first anniversary of the date of grant or the date of the next annual meeting of stockholders following the date of grant. In September 2025, the Class A Stockholders authorized an additional 100,000 shares for issuance under the 2017 Directors Plan.

In September 2007, the Class A Stockholders approved the 2007 Directors Plan, under which no further awards may be granted. During the life of the 2007 Directors Plan, it provided for annual automatic grants to each non-employee director, on the date of each annual meeting of stockholders, similar to the awards described above for the 2017 Directors Plan. As of May 31, 2026, non-qualified stock options to purchase 8,448 shares remained outstanding under the 2007 Directors Plan.

During fiscal 2026, 42,320 restricted stock units were granted to the non-employee directors under the 2017 Directors Plan, such grant to vest in its entirety on the earlier of the first anniversary of the date of grant or the date of the next annual meeting of Stockholders following the date of grant. During fiscal 2026, there were 28,280 shares of Common Stock issued upon the vesting of restricted stock units under the 2017 Directors Plan. As of May 31, 2026, non-qualified stock options to purchase 144,146 shares were outstanding under the 2017 Directors Plan and 154,574 shares of Common Stock were available for issuance under the 2017 Directors Plan.

Stock Options - Generally, stock options granted under the Company's equity plans may not be exercised for a minimum of one year after the date of grant and expire seven to ten years after the date of grant. The intrinsic value of certain stock options is tax deductible by the Company upon exercise, if compliant with current tax law. The Company amortizes the fair value of stock options as stock-based compensation expense over the requisite service period on a straight-line basis, or sooner if the employee effectively vests upon termination of employment for certain retirement-eligible employees, as well as in certain other events.

The following table sets forth the intrinsic value of stock options exercised, pretax stock-based compensation cost and related tax benefits for the Company's equity plans for the fiscal years ended May 31:

	2026	2025	2024
Total intrinsic value of stock options exercised	$ 8.0	$ 0.5	$ 6.4
Total stock-based compensation cost (pretax)	8.5	9.3	11.0
Tax benefits (shortfalls) related to stock-based compensation cost	0.6	(2.5)	5.0
Weighted average grant date fair value per option	$ 6.91	$ 11.92	$ 11.53

Pretax stock-based compensation cost is recognized in Selling, general and administrative expenses. As of May 31, 2026, the total pretax compensation cost not yet recognized by the Company with regard to outstanding unvested stock options was $0.1. The weighted average period over which this compensation cost is expected to be recognized is 0.4 years.

The following table sets forth the stock option activity under the Company's equity plans for the fiscal year ended May 31, 2026:

	Options	Weighted Average Exercise Price	Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at May 31, 2025	2,663,798	$ 30.90		
Granted	18,092	21.38		
Exercised	(779,167)	24.23		
Expired, canceled and forfeited	(146,038)	41.57		
Outstanding at May 31, 2026	**1,756,685**	**$ 32.87**	**2.6**	**$ 14.2**
Exercisable at May 31, 2026	**1,655,574**	**$ 32.79**	**2.4**	**$ 13.6**

Restricted Stock Units – In addition to stock options, the Company has issued restricted stock units to certain officers and senior management under the 2021 Plan and the 2011 Plan. During fiscal 2026, 371,416 restricted stock units were granted under the 2021 Plan. The restricted stock units convert to shares of Common Stock on a one-for-one basis upon vesting. For time-vested restricted stock units, vesting is typically in three or four equal annual installments beginning with the first anniversary of the date of grant. For performance-based restricted stock units, vesting is contingent upon attainment of pre-established performance goals. During fiscal 2026, there were 184,685 shares of Common Stock issued upon the vesting of restricted stock units under the 2021 Plan. The Company measures the value of restricted stock units at fair value based on the number of units granted and the price of the underlying Common Stock on the grant date, in addition to the expected attainment of pre-established performance goals in the case of performance-based restricted stock units. The Company amortizes the fair value of outstanding restricted stock units as stock-based compensation expense over the requisite service period on a straight-line basis, or sooner if the employee effectively vests upon termination of employment under certain circumstances.

The following table sets forth the restricted stock unit award activity for the fiscal years ended May 31:

	2026	2025	2024
Granted	413,736	410,392	177,867
Weighted average grant date price per unit	$ 25.88	$ 31.04	$ 37.81

As of May 31, 2026, the total pretax compensation cost not yet recognized by the Company with regard to unvested restricted stock units was $6.7. The weighted average period over which this compensation cost is expected to be recognized is 1.6 years.

Management Stock Purchase Plan - The Company maintains the Scholastic Corporation Management Stock Purchase Plan (the “MSPP”), which permits certain members of senior management to defer up to 100% of his or her annual cash bonus payments in the form of restricted stock units (the "MSPP RSUs”) which are purchased by the employee at a 25% discount from the lowest closing price of the Common Stock on NASDAQ on any day during the fiscal quarter in which such bonuses are awarded. The MSPP RSUs are converted into shares of Common Stock on a one-for-one basis at the end of the applicable deferral period, which must be a minimum of three years. The Company measures the value of MSPP RSUs based on the number of awards granted and the price of the underlying Common Stock on

the grant date, giving effect to the 25% discount. The Company amortizes this discount as stock-based compensation expense over the vesting term on a straight-line basis, or sooner if the employee effectively vests upon termination of employment under certain circumstances. During fiscal 2026, there were 52,252 shares of Common Stock issued upon the vesting of restricted stock units under the MSPP.

The following table sets forth the MSPP RSUs activity for the fiscal years ended May 31:

	2026	2025	2024
MSPP RSUs allocated	7,990	7,250	15,149
Purchase price per unit	$ 12.77	$ 21.49	$ 27.86

In September 2025, the Class A Stockholders authorized an additional 100,000 shares for issuance under the MSPP. At May 31, 2026, there were 197,520 shares of Common Stock remaining authorized for issuance under the MSPP.

As of May 31, 2026, there is no pretax compensation cost not yet recognized with regard to unvested MSPP RSUs.

The following table sets forth the restricted stock unit and MSPP RSUs activity for the year ended May 31, 2026:

	Restricted stock units and MSPP RSUs	Weighted Average grant date fair value
Nonvested as of May 31, 2025	589,226	$ 31.14
Granted	421,726	18.40
Vested	(265,217)	31.11
Forfeited	(69,682)	29.85
Nonvested as of May 31, 2026	**676,053**	**$ 27.82**

The total fair value of shares vested during the fiscal years ended May 31, 2026, 2025 and 2024 was $8.3, $6.5 and $5.8, respectively.

Employee Stock Purchase Plan - The Company maintains the Scholastic Corporation Employee Stock Purchase Plan (the "ESPP"), which is offered to eligible United States employees. The ESPP permits participating employees to purchase Common Stock, with after-tax payroll deductions, on a quarterly basis at a 15% discount from the closing price of the Common Stock on NASDAQ on the last business day of the calendar quarter. The Company recognizes the discount on the Common Stock issued under the ESPP as stock-based compensation expense in the quarter in which the employees began participating in the ESPP.

The following table sets forth the ESPP share activity for the fiscal years ended May 31:

	2026	2025	2024
Shares issued	88,428	109,015	79,458
Weighted average purchase price per share	$ 23.61	$ 21.85	$ 32.38

In September 2024, the Class A Stockholders authorized an additional 500,000 shares for issuance under the ESPP. At May 31, 2026, there were 371,625 shares of Common Stock remaining authorized for issuance under the ESPP.

16. TREASURY STOCK

The Company has authorizations from the Board of Directors to repurchase Common Stock, from time to time as conditions allow, on the open market or through negotiated private transactions, as summarized in the table below:

Authorizations		Amount
March 2024	$	54.6
March 2025		53.4
December 2025		80.0
March 2026		297.0
Total current Board authorizations	**$**	**485.0**
Less repurchases made under the authorizations as of May 31, 2026		(302.0)
Remaining Board authorization at May 31, 2026	**$**	**183.0**

Remaining Board authorization at May 31, 2026 represents the amount remaining under the current $297.0 Board authorization for repurchases of shares of Common Stock announced on March 18, 2026, which is available for further repurchases, from time to time as conditions allow, on the open market or through negotiated private transactions.

Pursuant to a Board authorization on March 18, 2026, the Company commenced a modified Dutch auction tender offer on March 23, 2026, which expired on April 20, 2026. In connection with this offer, the Company repurchased 2,834,018 shares of Common Stock at a price of $40.00 per share, for an aggregate cost of $115.6, including related fees and expenses.

During the fiscal year ended May 31, 2026, the Company repurchased 4,502,948 shares of Common Stock on the open market for an aggregate purchase price of $150.6. The Company also accrued $2.4 of excise tax related to share repurchases. The Company's repurchase program may be suspended at any time without prior notice.

17. EMPLOYEE BENEFIT PLANS

Pension Plans

The Company has a defined benefit pension plan (the "UK Pension Plan") that covers certain employees located in the United Kingdom who meet various eligibility requirements. Benefits are based on years of service and on a percentage of compensation near retirement. The UK Pension Plan is funded by contributions from the Company. The Company's UK Pension Plan has a measurement date of May 31.

On October 24, 2025, the UK Pension Plan entered into a group annuity contract covering substantially all remaining uninsured liabilities of the plan. Under the terms of the arrangement, the insurance company is obligated to make payments to the UK Pension Plan that are intended to substantially match the pension benefits payable to the covered participants. The UK Pension Plan remains the legal obligor for the payment of benefits to participants, and participants do not have a direct contractual relationship with the insurer. Accordingly, the transaction does not constitute a settlement of the related pension obligations. The annuity contract is held as a plan asset and is reported at fair value. Following the transaction, the UK Pension Plan liabilities have been measured on a termination basis, reflecting the purchase price of the insurance policy, adjusted for interest accretion, benefit payments, and changes in market conditions subsequent to the transaction date.

Postretirement Benefits

The Company provides postretirement benefits to eligible retired United States-based employees (the "US Postretirement Benefits") consisting of certain healthcare and life insurance benefits. Employees became eligible for these benefits after completing certain minimum age and service requirements. Effective June 1, 2009, the Company modified the terms of the Postretirement Benefits, effectively excluding a large percentage of employees from the plan. The Company's postretirement benefit plan has a measurement date of May 31.

The Medicare Prescription Drug, Improvement and Modernization Act (the "Medicare Act") introduced a prescription drug benefit under Medicare ("Medicare Part D") as well as a Federal subsidy of 28% to sponsors of retiree health care benefit plans providing a benefit that is at least actuarially equivalent to Medicare Part D. The Company has

determined that the US Postretirement benefits provided to its retiree population are in aggregate the actuarial equivalent of the benefits under Medicare Part D. As a result, in fiscal 2025 and 2024, the Company recognized a cumulative reduction of its accumulated postretirement benefit obligation of $0.1 due to the Federal subsidy under the Medicare Act. Beginning in fiscal 2026, the Company elected to no longer apply for the subsidy program.

The following table sets forth the weighted average actuarial assumptions utilized to determine the benefit obligations for the UK Pension Plan and the US Postretirement Benefits at May 31:

	UK Pension Plan			US Postretirement Benefits		
	2026	2025	2024	2026	2025	2024
Weighted average assumptions used to determine benefit obligations:						
Discount rate	5.4 %	5.8 %	5.2 %	5.2 %	5.4 %	5.5 %
Rate of compensation increase [1]	—	3.8 %	4.1 %	—	—	—
Weighted average assumptions used to determine net periodic benefit cost:						
Discount rate	5.8 %	5.1 %	5.5 %	5.4 %	5.4 %	5.2 %
Expected long-term return on plan assets	5.5 %	4.9 %	5.6 %	—	—	—
Rate of compensation increase	3.8 %	4.1 %	4.0 %	—	—	—

(1) The rate of compensation increase assumption is not applicable for fiscal 2026 following the pension bulk insurance transaction, as the covered pension obligations are supported by annuity contracts and are no longer dependent on future compensation levels.

To develop the expected long-term rate of return on plan assets assumption for the UK Pension Plan, the Company considers historical returns and future expectations. Considering this information and the potential for lower future returns due to a generally lower interest rate environment, the Company selected an assumed weighted average long-term rate of return on plan assets of 5.5% for the UK Pension Plan.

The following table sets forth the change in benefit obligation for the UK Pension Plan and the US Postretirement Benefits at May 31:

	UK Pension Plan		US Postretirement Benefits	
	2026	2025	2026	2025
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 25.3	$ 26.7	$ 6.5	$ 7.2
Interest cost	1.3	1.3	0.3	0.3
Plan participants' contributions	—	—	0.0	0.0
Actuarial losses (gains)	4.6	(2.6)	0.3	(0.0)
Foreign currency translation	(0.0)	1.5	—	—
Benefits paid, including expenses	(1.5)	(1.6)	(0.9)	(1.0)
Benefit obligation at end of year	**$ 29.7**	**$ 25.3**	**$ 6.2**	**$ 6.5**

The net actuarial loss included in the projected benefit obligation for the UK Pension Plan in fiscal 2026 was primarily attributable to the change in the measurement basis of the plan's liabilities to a termination basis following the execution of a bulk annuity purchase. The net actuarial gain included in the projected benefit obligation for the UK Pension Plan in fiscal 2025 was primarily due to the increase in discount rate and impact of inflation.

The net actuarial loss included in the projected benefit obligation for the US Postretirement Benefits in fiscal 2026 was primarily attributable to the decrease in discount rate and increase in the medical trend assumption. There was no net actuarial gain or loss included in the projected benefit obligation for the US Postretirement Benefits in fiscal 2025 as the gain attributable to the updated census data was offset by the loss attributable to the decrease in discount rate.

The following table sets forth the change in plan assets for the UK Pension Plan at May 31:

	UK Pension Plan	
	2026	2025
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 20.1	$ 21.4
Actual return on plan assets	2.2	(2.2)
Employer contributions	8.7	1.3
Benefits paid, including expenses	(1.5)	(1.6)
Foreign currency translation	0.0	1.2
Fair value of plan assets at end of year	**$ 29.5**	**$ 20.1**

The following table sets forth the net funded status of the UK Pension Plan and the US Postretirement Benefits and the related amounts recognized on the Company's Consolidated Balance Sheets at May 31:

	UK Pension Plan		US Postretirement Benefits	
	2026	2025	2026	2025
Current liabilities	$ —	$ —	$ (0.9)	$ (0.9)
Noncurrent liabilities	(0.2)	(5.2)	(5.3)	(5.6)
Net funded balance	**$ (0.2)**	**$ (5.2)**	**$ (6.2)**	**$ (6.5)**

The following amounts were recognized in Accumulated other comprehensive income (loss) for the UK Pension Plan and the US Postretirement Benefits on the Company's Consolidated Balance Sheets at May 31:

	2026			2025		
	UK Pension Plan	US Postretirement Benefits	Total	UK Pension Plan	US Postretirement Benefits	Total
Actuarial gain (loss)	$ (12.7)	$ 1.1	$ (11.6)	$ (11.0)	$ 1.4	$ (9.6)
Prior service credit (cost)	—	5.0	5.0	0.0	5.9	5.9
Amount recognized in Accumulated comprehensive income (loss) net of tax	(12.7)	4.6	(8.1)	(11.0)	5.5	(5.5)

Income tax expense of $1.5, $1.8 and $2.0 were recognized in Accumulated other comprehensive loss at May 31, 2026, 2025 and 2024, respectively.

The following table sets forth the projected benefit obligations, accumulated benefit obligations and the fair value of plan assets with respect to the UK Pension Plan as of May 31:

	UK Pension Plan	
	2026	2025
Projected benefit obligations	$ 29.7	$ 25.3
Accumulated benefit obligations	29.7	25.2
Fair value of plan assets	29.5	20.1

The following table sets forth the net periodic benefit (cost) for the UK Pension Plan and the US Postretirement Benefits for the fiscal years ended May 31:

	UK Pension Plan			US Postretirement Benefits		
	2026	2025	2024	2026	2025	2024
Components of net (benefit) cost:						
Interest cost	$ 1.3	$ 1.3	$ 1.3	$ 0.3	$ 0.3	$ 0.3
Expected return on assets	(1.1)	(1.0)	(1.1)	—	—	—
Amortization of prior service (credit) loss	0.0	0.0	0.0	(0.8)	(0.8)	(0.8)
Amortization of net actuarial (gain) loss	1.7	1.4	1.3	(0.1)	(0.1)	—
Net periodic (benefit) cost	**$ 1.9**	**$ 1.7**	**$ 1.5**	**$ (0.6)**	**$ (0.6)**	**$ (0.5)**

Actuarial gains and losses are amortized using a corridor approach. The gain or loss corridor is equal to 10% of the greater of the projected benefit obligation and the market-related value of assets. Gains and losses in excess of the corridor are amortized over the future working lifetime.

Plan Assets

The Company's investment policy with regard to the assets in the UK Pension Plan is to actively manage, within acceptable risk parameters, certain asset classes where the potential exists to outperform the broader market.

The following table sets forth the total weighted average asset allocations for the UK Pension Plan by asset category at May 31:

	UK Pension Plan	
	2026	2025
Debt securities	— %	42.7 %
Cash and cash equivalents	— %	4.2 %
Liability-driven instruments	— %	37.8 %
Other [1]	100.0 %	15.3 %
	100.0 %	**100.0 %**

[1] As of May 31, 2026, the UK Pension Plan consisted solely of annuity contracts.

During fiscal 2026, the UK Pension Plan's investment policy was amended to reflect a target asset allocation of 100% annuity contracts following the completion of the bulk insurance transaction.

The fair values of the Company's Pension Plan assets are measured using Level 1, Level 2 and Level 3 fair value measurements. The following table sets forth the measurement of the Company's Pension Plan assets at fair value by asset category at the respective dates:

	Assets at Fair Value as of May 31, 2026			
	UK Pension Plan			
	Level 1	Level 2	Level 3	Total
Annuities	—	—	29.5	29.5
Total	**$ —**	**$ —**	**$ 29.5**	**$ 29.5**

	Assets at Fair Value as of May 31, 2025			
	UK Pension Plan			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 0.8	$ —	$ —	$ 0.8
Pooled, Common and Collective Funds [1] [2]	—	7.6	—	7.6
Fixed Income [3]	—	8.6	—	8.6
Annuities	—	—	3.1	3.1
Total	**$ 0.8**	**$ 16.2**	**$ 3.1**	**$ 20.1**

(1) Funds which invest in UK government bonds and bond index-linked investments and interest rate and inflation swaps. There are no restrictions on these investments.
(2) Funds which invest in bond index funds available to certain qualified retirement plans but not traded openly on any public exchanges. There are no restrictions on these investments.
(3) Funds which invest in a diversified portfolio of publicly traded government bonds, corporate bonds and mortgage-backed securities. There are no restrictions on these investments.

The Company has purchased annuities to service fixed payments to certain retired plan participants in the UK. These annuities are purchased from investment grade counterparties. These annuities are not traded on open markets and are therefore valued based upon the actuarial determined valuation, and related assumptions, of the underlying projected benefit obligation, a Level 3 valuation technique. The fair value of these assets was $29.5 and $3.1 at May 31, 2026 and May 31, 2025, respectively.

The following table summarizes the changes in fair value of these Level 3 assets for the fiscal years ended May 31, 2026 and 2025:

Balance at May 31, 2024	**$ 3.2**
Actual Return on Plan Assets:	
Relating to assets held at May 31, 2024	(0.3)
Relating to assets sold during the year	—
Purchases, sales and settlements, net	—
Transfers in and/or out of Level 3	—
Foreign currency translation	0.2
Balance at May 31, 2025	**$ 3.1**
Actual Return on Plan Assets:	
Relating to assets held at May 31, 2025	(0.1)
Relating to assets sold during the year	—
Purchases, sales and settlements, net	26.3
Transfers in and/or out of Level 3	—
Foreign currency translation	0.2
Balance at May 31, 2026	**$ 29.5**

Estimated future benefit payments

The following table sets forth the expected future benefit payments under the UK Pension Plan and the US Postretirement Benefits by fiscal year:

	UK Pension Plan	US Postretirement Benefits
	Pension benefits	Benefit payments
2027	$ 1.5	$ 0.9
2028	1.6	0.8
2029	1.7	0.7
2030	1.7	0.7
2031	1.7	0.6
2031 - 2035	9.2	2.4

Assumed health care cost trend rates at May 31:

	2026	2025
Health care cost trend rate assumed for the next fiscal year	7.5 %	6.3 %
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.0 %	5.0 %
Year that the rate reaches the ultimate trend rate	2037	2031

Defined contribution plans

The Company also provides defined contribution plans for certain eligible employees. In the United States, the Company sponsors a 401(k) retirement plan and has contributed $8.1, $8.4 and $8.7 for fiscal years 2026, 2025 and 2024, respectively.

18. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the impact on earnings of reclassifications out of Accumulated other comprehensive income (loss) for the fiscal years ended May 31:

	2026		2025		2024	
	UK Pension Plan	US Postretirement Benefits	UK Pension Plan	US Postretirement Benefits	UK Pension Plan	US Postretirement Benefits
Amortization of prior service (credit) loss	$ 0.0	$ (0.8)	$ 0.0	$ (0.8)	$ 0.0	$ (0.8)
Amortization of net actuarial loss (gain)	1.7	(0.1)	1.4	(0.1)	1.3	0.0
Tax (benefit) expense	—	0.2	—	0.2	—	0.2
Amounts reclassified from Accumulated other comprehensive income (loss)	**$ 1.7**	**$ (0.7)**	**$ 1.4**	**$ (0.7)**	**$ 1.3**	**$ (0.6)**

The amounts reclassified out of Accumulated other comprehensive income (loss) were recognized in Other components of net periodic benefit (cost) for all periods presented.

The following tables summarize the activity in Accumulated other comprehensive income (loss), net of tax, by component for the periods indicated:

	Foreign currency translation adjustments	UK Pension Plan	US Postretirement Benefits	Total
Balance at May 31, 2024 (1)	**$ (46.9)**	**$ (11.8)**	**$ 6.2**	**$ (52.5)**
Other comprehensive income (loss) before reclassifications	$ 10.9	$ (0.6)	$ 0.0	$ 10.3
Less: amounts reclassified from Accumulated other comprehensive income (loss) (net of taxes)				
Amortization of net actuarial loss	$ —	$ 1.4	$ (0.1)	$ 1.3
Amortization of prior service (credit) cost	—	0.0	(0.6)	(0.6)
Other comprehensive income (loss)	10.9	0.8	(0.7)	11.0
Balance at May 31, 2025 (1)	**$ (36.0)**	**$ (11.0)**	**$ 5.5**	**$ (41.5)**
Other comprehensive income (loss) before reclassifications	$ 4.7	$ (3.4)	$ (0.2)	$ 1.1
Less: amounts reclassified from Accumulated other comprehensive income (loss) (net of taxes)				
Cumulative translation adjustment related to sale of equity method investment (2)	3.5	—	—	3.5
Amortization of net actuarial loss	$ —	$ 1.7	$ (0.1)	$ 1.6
Amortization of prior service (credit) cost	—	0.0	(0.6)	(0.6)
Other comprehensive income (loss)	8.2	(1.7)	(0.9)	5.6
Balance at May 31, 2026 (1)	**$ (27.8)**	**$ (12.7)**	**$ 4.6**	**$ (35.9)**

(1) Accumulated other comprehensive income (loss) related to the UK Pension Plan and the US Postretirement Benefits are reported net of taxes of $1.5, $1.8 and $2.0 at May 31, 2026, 2025, and 2024, respectively.
(2) Refer to Note 9, "Investments", for further details regarding sale of equity method investment.

19. EARNINGS (LOSS) PER SHARE

The following table summarizes the reconciliation of the numerators and denominators for the Basic and Diluted earnings (loss) per share computation for the fiscal years ended May 31:

	2026	2025	2024
Net income (loss) attributable to Class A and Common Shares	$ 56.7	$ (1.9)	$ 12.1
Weighted average Shares of Class A Stock and Common Stock outstanding for basic earnings (loss) per share (in millions)	23.7	27.6	29.6
Dilutive effect of Class A Stock and Common Stock potentially issuable pursuant to stock-based compensation plans (in millions)*	0.5	—	0.8
Adjusted weighted average Shares of Class A Stock and Common Stock outstanding for diluted earnings (loss) per share (in millions)	24.2	27.6	30.4
Earnings (loss) per share of Class A Stock and Common Stock			
Basic earnings (loss) per share	$ 2.39	$ (0.07)	$ 0.41
Diluted earnings (loss) per share	$ 2.34	$ (0.07)	$ 0.40
Anti-dilutive shares pursuant to stock-based compensation plans	1.4	0.4	0.9

* The Company experienced a net loss for the fiscal year ended May 31, 2025 and therefore did not report any dilutive share impact. The following potential common shares were excluded from the loss per diluted share computation: outstanding options and restricted stock units of $2.7 and $0.5, respectively.

The Company measures diluted earnings per share using the Treasury Stock method.

The following table sets forth Options outstanding pursuant to stock-based compensation plans for the fiscal years ended May 31:

	2026	2025
Options outstanding pursuant to stock-based compensation plans (in millions)	1.8	2.7

As of May 31, 2026, $183.0 remains available for future purchases of Common Stock under the current repurchase authorization of the Board of Directors. See Note 16, "Treasury Stock," for a more complete description of the Company's share buy-back program.

20. OTHER ACCRUED EXPENSES

Other accrued expenses consisted of the following at May 31:

	2026	2025
Accrued payroll, payroll taxes and benefits	$ 31.2	$ 35.2
Accrued bonus and commissions	29.1	26.6
Accrued other taxes	17.3	22.2
Returns liability	32.2	34.4
Accrued advertising and promotions	5.5	5.1
Other accrued expenses	42.8	42.7
Total accrued expenses	**$ 158.1**	**$ 166.2**

The table below provides information regarding Accrued severance which is included in Accrued payroll, payroll taxes and benefits on the Company's Consolidated Balance Sheets at May 31:

	2026	2025
Beginning balance	$ 4.3	$ 3.9
Accruals	17.0	13.0
Payments	(19.5)	(12.6)
Ending balance	**$ 1.8**	**$ 4.3**

During fiscal 2026, the Company recognized $16.4 of severance expense related to cost-saving initiatives.

21. DERIVATIVES AND HEDGING

The Company enters into foreign currency derivative contracts to economically hedge the exposure to foreign currency fluctuations associated with the forecasted purchase of inventory, the foreign exchange risk associated with certain receivables denominated in foreign currencies and certain future commitments for foreign expenditures. These derivative contracts are economic hedges and are not designated as cash flow hedges.

The Company marks-to-market these instruments and records the changes in the fair value of these items in Selling, general and administrative expenses, and recognizes the unrealized gain or loss in other current assets or other current liabilities. The notional values of the contracts were $29.9 and $22.8 as of May 31, 2026 and 2025, respectively. A net unrealized loss of $0.1 was recognized at May 31, 2026 and May 31, 2025.

22. FAIR VALUE MEASUREMENTS

The Company determines the appropriate level in the fair value hierarchy for each fair value measurement of assets and liabilities carried at fair value on a recurring basis in the Company's financial statements. The fair value hierarchy prioritizes the inputs, which refer to assumptions that market participants would use in pricing an asset or liability, based upon the highest and best use, into three levels as follows:

- **Level 1** Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- **Level 2** Observable inputs other than unadjusted quoted prices in active markets for identical assets or liabilities such as:
    - Quoted prices for similar assets or liabilities in active markets
    - Quoted prices for identical or similar assets or liabilities in inactive markets
    - Inputs other than quoted prices that are observable for the asset or liability
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

- **Level 3** Unobservable inputs in which there is little or no market data available, which are significant to the fair value measurement and require the Company to develop its own assumptions.

The Company's financial assets and liabilities measured at fair value consisted of cash and cash equivalents, debt and foreign currency forward contracts. Cash and cash equivalents are comprised of bank deposits and short-term investments, such as money market funds, the fair value of which is based on quoted market prices, a Level 1 fair value measure. The Company employs Level 2 fair value measurements for the disclosure of the fair value of its various lines of credit and long term debt. The fair value of the Company's debt approximates the carrying value for all periods presented. The fair values of foreign currency forward contracts, used by the Company to manage the impact of foreign exchange rate changes to the financial statements, are based on quotations from financial institutions, a Level 2 fair value measure.

Non-financial assets and liabilities for which the Company employs fair value measures on a non-recurring basis include:

- Long-lived assets
- Operating lease right-of-use (ROU) assets
- Investments
- Assets acquired in a business combination
- Impairment assessment of goodwill and intangible assets
- Long-lived assets held for sale

Level 2 and Level 3 inputs are employed by the Company in the fair value measurement of these assets and liabilities. For a more detailed description of the fair value measurements employed by the Company, see Note 1, "Description of the Business, Basis of Presentation and Summary of Significant Accounting Policies." The Company employs fair value measurements for certain property, plant and equipment, investment in film and television programs, investments and prepublication assets and the Company assesses future expected cash flows attributable to these assets. For investments, see Note 9, "Investments," for a more complete description of the fair value measurements employed.

During fiscal 2026, certain assets related to prepublication costs, investment in film and television programs, cloud computing arrangements and a cost-method investment were measured at fair value in connection with impairment assessments, with fair value determined using a discounted cash flow methodology. Certain inventory was also measured at fair value based on its net realizable value. See Note 5, "Asset Write Down," for a more complete description of the impairments recognized in fiscal 2026.

During fiscal 2025, the Company completed the acquisition of 9 Story. Refer to Note 12, "Acquisitions", for details regarding this acquisition and a description of the fair value measurements employed. In addition, certain inventory, operating lease ROU assets and prepublication costs were measured at fair value in connection with impairment assessments, with fair value determined using a discounted cash flow methodology. See Note 5, "Asset Write Down," for a more complete description of the impairments recognized in fiscal 2025.

During fiscal 2024, certain operating lease ROU assets, prepublication costs and intangible assets were measured at fair value in connection with impairment assessments, with fair value determined using a discounted cash flow methodology. See Note 5, "Asset Write Down," for a more complete description of the impairments recognized in

fiscal 2024. In addition, the Company acquired certain amortizable intangible assets during fiscal 2024, the fair value of which was determined using a discounted cash flow methodology. See Note 13, "Goodwill and Intangibles," for a more complete description of the acquired intangible assets.

The following tables present non-financial assets that were measured and recognized at fair value on a non-recurring basis and the total impairment losses and additions recognized on those assets:

	Net carrying value as of	Fair value measured and recognized using			Impairment losses for fiscal year ended	Additions due to acquisitions
	May 31, 2026	Level 1	Level 2	Level 3	May 31, 2026	
Inventory	$ —	$ —	$ —	$ 0.6	$ 0.6	$ —
Prepublication assets	—	—	—	4.3	4.3	—
Investment in film and television programs	—	—	—	4.9	4.9	—
Other Assets [(i)]	—	—	—	1.1	1.1	—

[(i)] Includes capitalized costs related to cloud computing arrangements and a cost-method investment.

	Net carrying value as of	Fair value measured and recognized using			Impairment losses for fiscal year ended	Additions due to acquisitions
	May 31, 2025	Level 1	Level 2	Level 3	May 31, 2025	
Inventory	$ —	$ —	$ —	$ 1.1	$ 1.1	$ —
Prepublication assets	—	—	—	1.2	1.2	—
Operating lease right-of-use assets, net	—	—	—	0.6	0.6	—

	Net carrying value as of	Fair value measured and recognized using			Impairment losses for fiscal year ended	Additions due to acquisitions
	May 31, 2024	Level 1	Level 2	Level 3	May 31, 2024	
Prepublication assets	$ —	$ —	$ —	$ 3.0	$ 3.0	$ —
Operating lease right-of-use assets, net	—	—	—	3.9	3.9	—
Intangible assets	5.5	—	—	6.0	3.1	6.0

23. RELATED PARTY TRANSACTIONS

On April 18, 2024, the Company entered into a share repurchase agreement to purchase shares of its common stock from the Estate of M. Richard Robinson, Jr. in a privately negotiated transaction. Pursuant to the repurchase agreement, the Company purchased 400,000 shares of common stock on April 18, 2024 at a price of $33.51 per share, representing an aggregate purchase price of $13.4. The price per share paid represented a 3.8% discount to the closing price of the stock, $34.83, on the date of execution of the repurchase agreement. The repurchase was made pursuant to the Company's current share repurchase program as previously approved by the Board. The aforementioned transaction was approved by the Board upon the recommendation of the Audit Committee.

24. SUBSEQUENT EVENTS

On July 22, 2026, the Company announced its quarterly cash dividend of $0.25 per share on the Company's Class A and Common Stock for the first quarter of fiscal 2027, representing a 25% increase from the previous dividend of $0.20 per share. The dividend is payable on September 15, 2026 to shareholders of record as of the close of business on August 31, 2026.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Scholastic Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Scholastic Corporation (the Company) as of May 31, 2026 and 2025, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity and cash flows for each of the three fiscal years in the period ended May 31, 2026, and the related notes and financial statement schedule listed in the Index at Item 15(c) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at May 31, 2026 and 2025, and the results of its operations and its cash flows for each of the three fiscal years in the period ended May 31, 2026, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of May 31, 2026, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated July 24, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition - allocation of contract transaction price to identified performance obligations

Description of the Matter

As described in Note 1 to the consolidated financial statements, the Company identifies two performance obligations within its school-based book fair contracts, which include (i) the fulfillment of book fairs product and (ii) the fulfillment of product upon the redemption of incentive program credits by customers. The Company allocates the transaction price to each performance obligation based on a relative standalone selling price. Changes in the allocation of the transaction price could impact the timing of the recognition of revenue.

Considering the nature and volume of school-based book fair transactions, we identified the allocation of the transaction price to the identified performance obligations within school-based book fair contracts as a critical audit matter because the estimation of standalone selling price for the incentive program credits required especially challenging auditor effort and judgment in evaluating the methodology used to establish standalone selling price. Estimating standalone selling price for the incentive program credits utilizes estimates of a standardized value per credit. The standardized value per credit is based on historical experience of issuance and redemption patterns related to the incentive program, adjusted to normalize the data and to align with expectations of future redemptions. Changes in those assumptions can have a material effect on the amount of revenue recognized in the current or future periods.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's allocation of transaction price to the two performance obligations. We tested management's review controls over the significant assumptions, such as adjustments made to historical experience and redemption patterns, and completeness and accuracy of the data used in the calculation.

To test the allocation of revenue recognized in current and future periods, our audit procedures included, among others, evaluating the methodology used and analyzing the historical experience and redemption patterns, particularly the adjustments made to normalize the data and to align with expectations of future redemptions. We tested the accuracy and completeness of the underlying historical incentive credit program data used in management's calculation. To test the accuracy and completeness of historical incentive program issuance and redemption data used in the analysis, we agreed the total incentive program activity to the source system and for a sample of transactions performed transactional testing to source documents. We also evaluated the appropriateness of management's adjustments to historical data by gaining an understanding of the nature of the adjustments, performing a sensitivity analysis and tracing the adjustments to the historical data to source documents.

/s/ Ernst & Young LLP

We have served as the Company's auditor since at least 1938, but we are unable to determine the specific year.

New York, New York

July 24, 2026

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Scholastic Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Scholastic Corporation's internal control over financial reporting as of May 31, 2026, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Scholastic Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of May 31, 2026, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of May 31, 2026 and 2025, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity and cash flows for each of the three fiscal years in the period ended May 31, 2026, and the related notes and financial statement schedule listed in the Index at Item 15(c) and our report dated July 24, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York

July 24, 2026

Supplementary Financial Information

Summary of Quarterly Results of Operations
(Unaudited, amounts in millions except per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year Ended May 31,
2026					
Revenues	$ 225.6	$ 551.1	$ 329.1	$ 476.1	$ 1,581.9
Cost of goods sold	123.5	225.6	150.3	190.4	689.8
Net income (loss)	(71.1)	55.9	62.5	9.4	56.7
Net income (loss) per share of Class A and Common Stock:					
Basic [(1)]	$ (2.83)	$ 2.21	$ 2.61	$ 0.46	$ 2.39
Diluted [(1)]	$ (2.83)	$ 2.17	$ 2.55	$ 0.45	$ 2.34
2025					
Revenues	$ 237.2	$ 544.6	$ 335.4	$ 508.3	$ 1,625.5
Cost of goods sold	128.3	228.6	154.6	207.3	718.8
Net income (loss)	(62.5)	48.8	(3.6)	15.4	(1.9)
Net income (loss) per share of Class A and Common Stock:					
Basic [(1)]	$ (2.21)	$ 1.73	$ (0.13)	$ 0.59	$ (0.07)
Diluted [(1)]	$ (2.21)	$ 1.71	$ (0.13)	$ 0.59	$ (0.07)

(1) The sum of the quarters may not equal the full year basic and diluted earnings per share since each quarter is calculated separately.

Item 9 | Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A | Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Corporation, after conducting an evaluation, together with other members of the Company's management, of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures as of May 31, 2026, have concluded that the Corporation's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Corporation in its reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC and accumulated and communicated to members of the Corporation's management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

The management of the Corporation is responsible for establishing and maintaining adequate internal control over financial reporting for the Corporation. A corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. The Company's management (with the participation of the Corporation's Chief Executive Officer and Chief Financial Officer), after conducting an evaluation of the effectiveness of the Corporation's internal control over financial reporting based on the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), concluded that the Corporation's internal control over financial reporting was effective as of May 31, 2026.

Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report on the Corporation's internal control over financial reporting as of May 31, 2026, which is included herein. There was no change in the Corporation's internal control over financial reporting that occurred during the quarter ended May 31, 2026 that materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Item 9B | Other Information

During the quarterly period ended May 31, 2026, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C | Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10 | Directors, Executive Officers and Corporate Governance

Information required by this item is incorporated herein by reference from the Corporation's definitive proxy statement for the Annual Meeting of Stockholders to be held September 16, 2026 to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Certain information regarding the Corporation's Executive Officers is set forth in Part I - Item 1 - Business.

Item 11 | Executive Compensation

Incorporated herein by reference from the Corporation's definitive proxy statement for the Annual Meeting of Stockholders to be held September 16, 2026 to be filed pursuant to Regulation 14A under the Exchange Act.

Item 12 | Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Incorporated herein by reference from the Corporation's definitive proxy statement for the Annual Meeting of Stockholders to be held September 16, 2026 to be filed pursuant to Regulation 14A under the Exchange Act.

Item 13 | Certain Relationships and Related Transactions, and Director Independence

Incorporated herein by reference from the Corporation's definitive proxy statement for the Annual Meeting of Stockholders to be held September 16, 2026 to be filed pursuant to Regulation 14A under the Exchange Act.

Item 14 | Principal Accounting Fees and Services

Incorporated herein by reference from the Corporation's definitive proxy statement for the Annual Meeting of Stockholders to be held September 16, 2026 to be filed pursuant to Regulation 14A under the Exchange Act.

Part IV

Item 15 | Exhibits, Financial Statement Schedules

(a)(1) Financial Statements:

The following Consolidated Financial Statements are included in Part II, Item 8, "Consolidated Financial Statements and Supplementary Data":

Consolidated Statements of Operations for the years ended May 31, 2026, 2025 and 2024;

Consolidated Statements of Comprehensive Income (Loss) for the years ended May 31, 2026, 2025 and 2024;

Consolidated Balance Sheets at May 31, 2026 and 2025;

Consolidated Statement of Changes in Stockholders' Equity for the years ended May 31, 2026, 2025 and 2024;

Consolidated Statements of Cash Flows for the years ended May 31, 2026, 2025 and 2024; and

Notes to Consolidated Financial Statements

(a)(2) Supplementary Financial Information - Summary of Quarterly Results of Operations Financial Statement Schedule.

and (c)

The following consolidated financial statement schedule is included with this report: Schedule II-Valuation and Qualifying Accounts and Reserves.

All other schedules have been omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements or the Notes thereto.

(a)(3) and (b)

Exhibits:

3.1 Amended and Restated Certificate of Incorporation of the Corporation, as amended to date (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on October 6, 2006, SEC File No. 000-19860).

3.2 Bylaws of the Corporation, amended and restated as of May 15, 2024 (incorporated by reference to the Corporation's Current Report on Form 8-K as filed with the SEC on May 15, 2024, SEC File No. 000-19860).

4.1 Description of the Company's securities, as filed herewith.

10.1 Amended and Restated Credit Agreement dated as of October 27, 2021 (the “Credit Agreement”) among Scholastic Corporation and Scholastic Inc., as Borrowers, the lenders from time to time party thereto, Wells Fargo Bank, National Association and Truist Bank as Co-Syndication Agents, Fifth Third Bank, National Association, HSBC Bank USA, National Association, and Citibank, N.A. as Co-Agents and Bank of America, N.A., as Administrative Agent (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on March 24, 2023, SEC File No. 000-19860 (the "February 28, 2023 10-Q").

10.2 First Amendment, dated as of February 28, 2023, to the Amended and Restated Credit Agreement dated as of October 27, 2021 (the “Credit Agreement”) by and between Scholastic Corporation and Scholastic Inc., the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on March 24, 2023, SEC File No. 000-19860 (the "February 28, 2023 10-Q").

10.3 Second Amendment, dated as of February 28,2023, to the Amended and Restated Credit Agreement dated as of October 27, 2021 (the “Credit Agreement”) by and between Scholastic Corporation and Scholastic Inc., the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent (incorporated by reference to the February 28, 2023 10-Q).

10.4 Third Amendment, dated as of November 26, 2024, to the Amended and Restated Credit Agreement dated as of October 27, 2021 (the “Credit Agreement”) by and between Scholastic Corporation and Scholastic Inc., the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent (incorporated by reference to Form 8-K filed December 3, 2024).

10.5* Scholastic Corporation Management Stock Purchase Plan, amended and restated effective as of September 23, 2008 (incorporated by reference to the Corporation’s Annual Report on Form 10-K as filed with the SEC on July 30, 2009, SEC File No. 000-19860) (the “2009 10-K”), together with Amendment No. 1 to the Scholastic Corporation Management Stock Purchase Plan, effective as of September 21, 2011 (incorporated by reference to Appendix B to the Corporation’s definitive Proxy Statement as filed with the SEC on August 9, 2011, SEC File No. 000-19860).

10.6* Scholastic Corporation Director’s Deferred Compensation Plan, amended and restated effective as of September 23, 2008 (incorporated by reference to the 2009 10-K).

10.7* Scholastic Corporation 2007 Outside Directors Stock Incentive Plan (the “2007 Directors’ Plan”) effective as of September 23, 2008 (incorporated by reference to the 2009 10-K) and the Amended and Restated Scholastic Corporation 2007 Outside Directors Stock Incentive Plan (incorporated by reference to the Corporation’s Quarterly Report on Form 10-Q as filed with the SEC on January 2, 2013, SEC File No. 000-19860) (the "November 30, 2012 10-Q”), and Amendment No. 1, effective as of May 21, 2013 (incorporated by reference to the Corporation's Annual Report on Form 10-K as filed with the SEC on July 25, 2013, SEC file No. 000-19860 (the "2013 10-K")), and Amendment No. 2, effective as of December 16, 2015 (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on December 18, 2015, SEC File No. 000-19860).

10.8* Form of Stock Option Agreement under the 2007 Directors’ Plan (incorporated by reference to the Corporation’s Quarterly Report on Form 10-Q as filed with the SEC on January 9, 2008, SEC File No. 000-19860) and the Form of Stock Option Agreement under the 2007 Directors’ Plan, effective as of September 19, 2012 (incorporated by reference to the November 30, 2012 10-Q).

10.9* Form of Restricted Stock Unit Agreement under the 2007 Directors’ Plan (incorporated by reference to the 2009 10-K) and the Form of Restricted Stock Unit Agreement under the 2007 Directors' Plan, effective July 18, 2012 (incorporated by reference to the November 30, 2012 10-Q).

10.10* Scholastic Corporation 2011 Stock Incentive Plan (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on December 22, 2011, SEC File No. 000-19860 (the "November 30, 2011 10-Q")). Amendment No. 1 to the Scholastic Corporation 2011 Stock Incentive Plan (incorporated by reference to the 2013 10-K), Amendment No. 2 to the Scholastic Corporation 2011 Stock Incentive Plan (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on December 22, 2014, SEC File No. 000-19860), and Amendment No. 3 to the Scholastic Corporation 2011 Stock Incentive Plan (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on December 20, 2018, SEC file No. 000-19860).

10.11* Form of Restricted Stock Unit Agreement under the Scholastic Corporation 2011 Stock Incentive Plan (incorporated by reference to the November 30, 2011 10-Q).

10.12* Form of Stock Option Agreement under the Scholastic Corporation 2011 Stock Incentive Plan (incorporated by reference to the November 30, 2011 10-Q).

10.13* Scholastic Corporation 2017 Outside Directors Stock Incentive Plan, as Amended and Restated (incorporated by reference to the May 31, 2024 10-K).

10.14* Form of Non-Qualified Stock Option Agreement under the Scholastic Corporation 2017 Outside Directors Stock Incentive Plan (incorporated by reference to the August 31, 2017 10-Q).

10.15* Form of Restricted Stock Unit Agreement under the Scholastic Corporation 2017 Outside Directors Stock Incentive Plan as amended and restated (incorporated by reference to the November 30, 2023 10-Q).

10.16* Scholastic Corporation 2021 Stock Incentive Plan (incorporated by reference to the August 31, 2022 10-Q).

10.17* Form of Stock Option Agreement under the Scholastic Corporation 2021 Stock Incentive Plan (incorporated by reference to the November 30, 2021 10-Q).

10.18* Form of Restricted Stock Unit Agreement under the Scholastic Corporation 2021 Stock Incentive Plan (incorporated by reference to the November 30, 2021 10-Q).

10.19* Form of Performance Restricted Stock Unit Agreement under the Scholastic Corporation 2021 Stock Incentive Plan (incorporated by reference to the November 30, 2024 10-Q).

10.20* Amended and Restated Employment Agreement between Scholastic Corporation and Peter Warwick, effective August 1, 2021 (incorporated by reference to the August 31, 2022 10-Q).

10.21* Stock Option Agreement between Scholastic Corporation and Peter Warwick, dated August 1, 2021 (incorporated by reference to the November 30, 2021 10-Q).

10.22* Restricted Stock Unit Agreement between Scholastic Corporation and Peter Warwick, dated August 1, 2021 (incorporated by reference to the November 30, 2021 10-Q).

10.23* Performance Stock Unit Agreement between Scholastic Corporation and Peter Warwick, dated August 1, 2021 (incorporated by reference to the November 30, 2021 10-Q).

10.24 Share Repurchase Agreement between Scholastic Corporation and the Preliminary co-Executors of the Estate of M. Richard Robinson, Jr., effective January 12, 2022, (incorporated by reference to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on March 18, 2022, SEC file No. 000-19860)("the February 28, 2022 10-Q").

10.25* Performance Stock Unit Agreement between Scholastic Corporation and Peter Warwick, dated July 19, 2022, (incorporated by reference to the August 31, 2022 10-Q).

10.26* Performance Stock Unit Agreement between Scholastic Corporation and Peter Warwick, dated July 18, 2023, (incorporated by reference to the November 30, 2023 10-Q).

10.27 Securities Purchase Agreement between the Purchaser, each of the Sellers and the Sellers' Representative dated March 11, 2024 (incorporated by reference to Form 8-K filed March 12, 2024).**

10.28 Guarantee Agreement dated March 11, 2024 (incorporated by reference to Form 8-K filed March 12, 2024).

10.29* Employment Agreement dated October 3, 2023 between Kenneth Cleary and Scholastic Inc. (incorporated by reference to Form 8-K filed October 3, 2023).

10.30* First Amendment to Amended And Restated Employment Agreement dated October 4, 2023 between Peter Warwick and Scholastic Inc. (incorporated by reference to Form 8-K filed October 4, 2023).

10.31* Letter Agreement dated January 25, 2024 between Peter Warwick and the Company (incorporated by reference to Form 8-K filed January 25, 2024).

10.32* Offer Letter dated December 5, 2023 between Haji Glover and Scholastic Inc. (incorporated by reference to Form 8-K filed January 8, 2024).

10.33 Share Repurchase Agreement between Scholastic Corporation and the Preliminary co-Executors of the Estate of M. Richard Robinson, Jr., effective April 18, 2024 (incorporated by reference to the May 31, 2024 10-K).

10.34* Offer Letter dated July 11, 2022 between Jeffrey N. Mathews and Scholastic Inc. (incorporated by reference to the November 30, 2024 10-Q).

10.35* Performance Stock Unit Agreement between Scholastic Corporation and Peter Warwick, dated July 16, 2024 (incorporated by reference to the November 30, 2024 10-Q).

10.36* Performance Stock Unit Agreement between Scholastic Corporation and Jeffrey N. Mathews, dated October 1, 2024 (incorporated by reference to the November 30, 2024 10-Q).

10.37* Restricted Stock Unit Agreement between Scholastic Corporation and Jeffrey N. Mathews, dated October 1, 2024 (incorporated by reference to the November 30, 2024 10-Q).

10.38* Letter Agreement dated January 30, 2025 between Peter Warwick and the Company (incorporated by reference to the February 28, 2025 10-Q).

10.39* Letter Agreement, dated January 29, 2026, between Peter Warwick and the Company (incorporated by reference to Exhibit 10.5 to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on March 20, 2026, SEC File No. 000-19860).

10.40* Amendment, dated January 9, 2026, to Offer of employment letter, effective November 18, 2019, between Scholastic Inc. and Sasha Quinton (Amendment incorporated by reference to Exhibit 10.6 to the Corporation Quarterly Report on Form 10-Q as filed with the SEC on March 20, 2026, and Offer of employment letter incorporated by reference to Exhibit 10.1 to the Corporation's Quarterly Report on Form 10-Q as filed with the SEC on December 20, 2019, in each case, SEC File No. 000-19860).

10.41* Letter from Scholastic to Jeffrey Mathews regarding his appointment as President, Scholastic Education and his compensation increase dated December 19, 2025 (incorporated by reference to Exhibit 10.1 to Form 8-K filed December 22, 2025, SEC File No. 000-19860).

10.42 Contract of Purchase and Sale dated as of December 1, 2025, by and between Scholastic 557 Broadway, L.L.C. and ESRT 555-557 Broadway, L.L.C. (incorporated by reference to Exhibit 10.1 to Form 8-K filed December 5, 2025, SEC File No. 000-19860 (the "December 2025 Form 8-K").

10.43 Form of Lease Agreement to be entered into by and between Scholastic 557 Broadway, L.L.C. and ESRT 555-557 Broadway, L.L.C. (incorporated by reference to Exhibit 10.2 to the December 2025 Form 8-K).

10.44 Contract of Purchase and Sale Agreement dated as of December 1, 2025, by and between Scholastic Inc. and FNLR Fortuna Major LLC. (incorporated by reference to Exhibit 10.3 to the December 2025 Form 8-K).

10.45	Form of Lease Agreement to be entered into by and between Scholastic Inc. and FNLR Fortuna Major LLC. (incorporated by reference to Exhibit 10.4 to the December 2025 Form 8-K).
19	Insider Trading Policy (incorporated by reference to the May 31, 2024 10-K/A).
21	Subsidiaries of the Corporation, as of May 31, 2026.
23	Consent of Ernst & Young LLP.
31.1	Certification of the Chief Executive Officer of the Corporation filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer of the Corporation filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of the Chief Executive Officer and the Chief Financial Officer of the Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97	Clawback Policy (incorporated by reference to the May 31, 2024 10-K).
101.INS	XBRL Instance Document ***
101.SCH	XBRL Taxonomy Extension Schema Document ***
101.CAL	XBRL Taxonomy Extension Calculation Document ***
101.DEF	XBRL Taxonomy Extension Definitions Document ***
101.LAB	XBRL Taxonomy Extension Labels Document ***
101.PRE	XBRL Taxonomy Extension Presentation Document ***

*	The referenced exhibit is a management contract or compensation plan or arrangement described in Item 601(b) (10) (iii) of Regulation S-K.
**	The Company has filed a redacted version of the Securities Purchase Agreement, omitting the portions of the Agreement (indicated by asterisks) which the Company desires to keep confidential.
***	In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Annual Report on Form 10-K shall be deemed to be "furnished" and not "filed."

Item 16 | Summary

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: July 24, 2026

SCHOLASTIC CORPORATION

By: /s/ Peter Warwick

President and Chief Executive Officer

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Peter Warwick his or her true and lawful attorney-in-fact and agent, with power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing necessary and requisite to be done, as fully and to all the intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Peter Warwick **Peter Warwick**	President and Chief Executive Officer and Director (principal executive officer)	July 24, 2026
/s/ Haji L. Glover **Haji L. Glover**	Executive Vice President and Chief Financial Officer (principal financial officer)	July 24, 2026
/s/ Paul Hukkanen **Paul Hukkanen**	Senior Vice President and Chief Accounting Officer (principal accounting officer)	July 24, 2026
/s/ Milena Alberti **Milena Alberti**	Director	July 24, 2026
/s/ Andrés Alonso **Andrés Alonso**	Director	July 24, 2026
/s/ James W. Barge **James W. Barge**	Director	July 24, 2026
/s/ Robert L. Dumont **Robert L. Dumont**	Director	July 24, 2026
/s/ Alix Guerrier **Alix Guerrier**	Director	July 24, 2026
/s/ Kaya Henderson **Kaya Henderson**	Director	July 24, 2026
/s/ Linda Li **Linda Li**	Director	July 24, 2026
/s/ Iole Lucchese **Iole Lucchese**	Director	July 24, 2026
/s/ Verdell Walker **Verdell Walker**	Director	July 24, 2026
/s/ Anne Clarke Wolff **Anne Clarke Wolff**	Director	July 24, 2026

Scholastic Corporation

Financial Statement Schedule

ANNUAL REPORT ON FORM 10-K

YEAR ENDED May 31, 2026

ITEM 15(c)

Schedule II

Valuation and Qualifying Accounts and Reserves

(Amounts in millions)
Years ended May 31,

	Balance at Beginning of Year	Expensed	Write-Offs and Other		Balance at End of Year
2026					
Allowance for credit losses	$ 11.0	$ 6.5	$ 6.5		$ 11.0
Returns liability	34.4	41.8	44.0	(1)	32.2
Reserves for obsolescence	107.1	8.9	22.7		93.3
Reserve for royalty advances	86.9	6.2	0.4		92.7
2025					
Allowance for credit losses	$ 14.9	$ 5.0	$ 8.9		$ 11.0
Returns liability	33.1	51.8	50.5	(1)	34.4
Reserves for obsolescence	105.6	16.1	14.6		107.1
Reserve for royalty advances	83.2	5.7	2.0		86.9
2024					
Allowance for credit losses	$ 16.7	$ 5.2	$ 7.0		$ 14.9
Returns liability	34.9	59.4	61.2	(1)	33.1
Reserves for obsolescence	100.9	20.4	15.7		105.6
Reserve for royalty advances	79.1	2.7	(1.4)		83.2

(1) Represents actual returns charged to the reserve.

Offices & Corporate Information

U.S. Offices

Scholastic Corporation and Scholastic Inc., Corporate Headquarters

557 Broadway (enter at 130 Mercer Street)
New York, NY 10012
212 343 6100
scholastic.com
𝕏 @Scholastic

National Service Organization; Scholastic Book Clubs, Inc.
2931 East McCarty Street
Jefferson City, MO 65101
573 636 5271

Customer Service
1 800 724 6527
scholastic.com/custsupport
𝕏 @ScholasticHelp

International Offices

Australia
Scholastic Australia Pty. Ltd.
61 2 4328 3555
𝕏 @ScholasticAUS

Canada
Scholastic Canada Ltd.
905 887 7323
𝕏 @ScholasticCDA

India
Scholastic India Private Limited
91 124 484 2800
𝕏 @IndiaScholastic

Malaysia
Scholastic (Asia) SDN. BHD.
60 3 9078 2828
𝕏 @ScholasticAsia

New Zealand
Scholastic New Zealand Limited
64 9 274 8112
𝕏 @Scholastic.co.nz

Puerto Rico
Caribe Grolier, Inc.
787 999 5551
𝕏 @Scholastic_LACA

China
Scholastic Education Information Consulting (Shanghai) Co., Ltd.
86 216 426 4555
@Scholastic-China

Singapore
Scholastic Education International (Singapore) Private Limited
65 6922 9589
f @ScholasticAsia

United Kingdom
Scholastic Limited
44 207 756 7756
𝕏 @Scholasticuk

Scholastic Ireland Limited
353 1830 6798
𝕏 @ScholasticIreland

Ireland
Brown Bag Films
9 Story Distribution International
353 1 8721608
𝕏 @BrownBagFilms / @9StoryMG

Indonesia
Brown Bag Films
62 361 8476274
𝕏 @BrownBagFilms

Stockholder Information

2026 Annual Stockholders' Meeting
2026 Annual Meeting of Stockholders will be held on Wednesday, September 16, 2026, at 9 a.m. via the internet at virtualshareholdermeeting.com/SCHL2026

Investor Relations and Information
Copies of Scholastic Corporation's report on Form 10-K as filed with the Securities and Exchange Commission as well as other reports and news from Scholastic may be read and downloaded at investor.scholastic.com.

If you do not have access to the Internet, you may request free printed material upon written request to the Company.

Stockholders and analysts seeking information about the Company should contact:

Scholastic Corporation
Investor Relations
212 343 6741
investor_relations@scholastic.com

The Company announces the dates/times of all upcoming earnings releases and teleconferences in advance. These calls are open to the public and are also available as a simultaneous webcast via the Company's website.

Media Relations and Inquiries
The news media and others seeking information about the Company should contact:

Media Relations
212 343 6657
asparkman@scholastic.com

Stock Listing
Scholastic Corporation common stock is traded on The NASDAQ Stock Market under the symbol SCHL.

Independent Accountants
EY LLP
5 Times Square
New York, NY 10036-6530

Stock Transfer Agent, Registrar and Dividend Disbursement Agent

Computershare:
1 877 272 1580 (toll-free)
1 201 680 6578 (international)

TDD hearing impaired telephone numbers:
1 800 952 9245 (toll-free)
1 781 575 4592 (international)
computershare.com/investor

Registered stockholders who need to change their address or transfer shares should send instructions to:

By Mail:
Computershare
P.O. Box 505000
Louisville, KY 40233-5000

By Overnight Delivery:
Computershare
462 South 4th Street
Suite 1600
Louisville, KY 40202

Directors & Officers

(As of August 7, 2026)

Directors of the Corporation

Iole Lucchese (E)
Chair of the Board, Executive Vice President, Chief Strategy Officer and President, Scholastic Entertainment

Milena Alberti (A, H)
Former Chief Financial Officer, Getty Images, Inc.

Andrés Alonso (N, T)
CEO Andres A. Alonso, LLC; Special Trustee, Public School Districts Opioid Recovery Trust; Former Co. Chair Public Education Leadership Project, Harvard University

James W. Barge (A, H)
Chief Financial Officer, Lionsgate Entertainment Corp.

Anne Clarke Wolff (A)
Founder & Chief Executive Officer, Independence Point Advisors

Robert Dumont (A, E, N)
Principal, Robert Dumont PLLC

Alix Guerrier (N, T)
Chief Executive Officer, DonorsChoose

Kaya Henderson (H)
Executive Vice President & Executive Director of the Center for Rising Generations, Aspen Institute

Linda Li (H, T)
Independent Consultant

Verdell Walker (N, T)
Independent Advisor and Consultant, Verdell Walker Advisory

Peter Warwick (E)
President and Chief Executive Officer, Scholastic Corporation

A: Audit Committee

E: Executive Committee

H: Human Resources and Compensation Committee

N: Nominating and Governance Committee

T: Technology, Data and Supply Chain Committee

New Board Committee composition will be determined after the 2026 Annual Meeting of Stockholders.

Corporate Executive Officers

Peter Warwick
President and Chief Executive Officer

Iole Lucchese
Chair of the Board, Executive Vice President, Chief Strategy Officer and President, Scholastic Entertainment

Haji Glover
Executive Vice President and Chief Financial Officer

Jeffrey Mathews
Executive Vice President, Chief Growth Officer and President, Scholastic Education

Sasha Quinton
Executive Vice President and President, Children's Book Group

Chris Lick
Executive Vice President, General Counsel and Corporate Secretary

SCHOLASTIC

557 Broadway, New York, NY 10012 • 212 343 6100 • scholastic.com

Scholastic inspires and empowers all children to become life-long readers and learners, unlocking an imaginative curiosity about themselves and the world.

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